



*Nurturing
favourite places
for generations
to come*

DECOSPAN®

Wood Solutions

ABOUT THIS REPORT

This sustainability report contains non-financial information for both Decospan Belgium and Decospan France Nord. The corporate headquarters are registered at Lageweg 33, 8930 Meneen, Belgium.

Thank you!

As we present this report, we do so with deep gratitude for the outstanding contributions of our team, stakeholders, and the Desmet family, all of whom define and enrich our collective journey. Therefore, we express heartfelt thanks to our exceptional team of dedicated employees whose unwavering commitment and resilience form the foundation of our success. We extend our sincere appreciation to our cooperating stakeholders for their collaborative spirit, valuable insights, and shared vision that have propelled us forward on this journey. Special acknowledgment is reserved for the Desmet family, whose constant support, understanding, and shared commitment to our mission have been instrumental.

Contact details

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CSR expertise and guidance

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19 april 2024

Reporting period

1 January 2023 – 31 December 2023

We will continue to publish reports on an annual basis.

Scope of this sustainability report

The Decospan sustainability journey was initiated at our headquarters. The identified material topics and strategic framework apply to the Decospan Group and will undergo further refinement in the years ahead. The specific metrics and parameters outlined in this report relate to the sites in Belgium and Northern France and will be extended to the entire Decospan Group in the upcoming years.



2024



2025



2026

First sustainability report
Decospan Belgium & France Nord

First sustainability report
Decospan Group

Mandatory reporting under the Corporate Sustainability Reporting Directive (CSRD)
Decospan Group

A WORD FROM OUR CEO

It is with great pride that we present to you our very first sustainability report, **a significant milestone in our journey towards a world full of favourite places.** At Decospan, our commitment to sustainability has always been at the core of our business practices, **driven by an inherent desire to make a positive impact on our environment.**

This commitment has been embodied in our 'Evolve' business strategy, reflecting our dedication to advancing our ecological footprint.

Today, we aim for more.



We want to lead our industry to a more ambitious and sustainable future.

We want to broaden our scope beyond environmental performance to encompass not only environmental but also social and governance principles.

In pursuit of this broader vision, we have embarked on a transformative journey. **We have crafted a strategic plan built on three strong branches, our three 'favourite places'.** These pillars include both immediate goals and profound, long-term aspirations, drawing inspiration from our mission, the dedication of our team, and valuable insights from stakeholders.

Our mission is simple yet powerful: **to create a world full of favourite places by bringing wood into everyone's life.**

Our first favourite place is **Sustainable Forests.** With global tree cover and biodiversity facing unprecedented challenges, we prioritise sourcing from responsibly managed forests. By fostering the expansion of forests and biodiversity, we aim to regenerate vital resources and contribute to a sustainable future.

A Healthy Workplace stands as our second favourite place. Our employees are our most valuable asset, essential to realising our mission. We continually invest in their well-being, their professional and personal development, embracing diversity to enrich perspectives within our workplace.

The third favourite place is **Beautiful Interiors.** At Decospan, we envision wood contributing to beautiful, warm living and workspaces, and to the overall quality of life. Our solutions focus on seamlessly integrating this renewable natural material into daily environments.

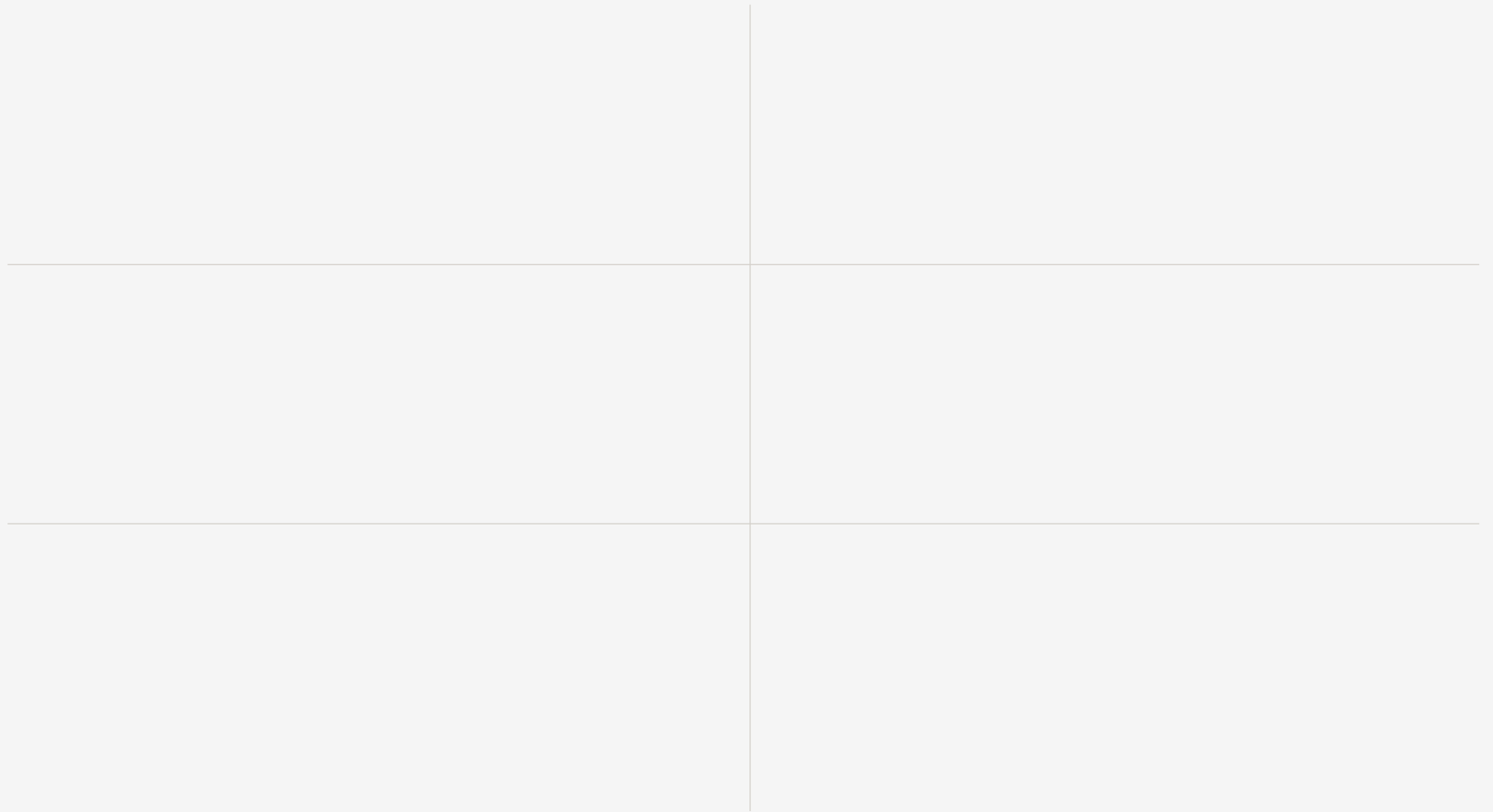
We do not have the ambition to create these favourite places on our own. **We engage in close partnerships with all stakeholders across our value chain.** These stakeholders form the foundation of our sustainability strategy. This collaboration with stakeholders goes beyond finding solutions to our sustainability challenges. We also involve them closely in developing our sustainability agenda. By addressing stakeholder suggestions in refining our sustainability report, we are poised to solidify our role as a leader in sustainability, fostering growth, circularity, and innovation.

This sustainability report encapsulates our journey, aspirations, and commitment to creating a sustainable future. **Join us in exploring the avenues where sustainability meets innovation and tradition converges with modernisation, paving the way for a world full of favourite places by bringing wood into people's lives.**

Pieterjan Desmet.

CEO Decospan

*Nurturing favourite places
for generations to come*





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a legacy of sustainable innovation

Decospan, a legacy of sustainable innovation

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DECOSPAN

a legacy of sustainable innovation

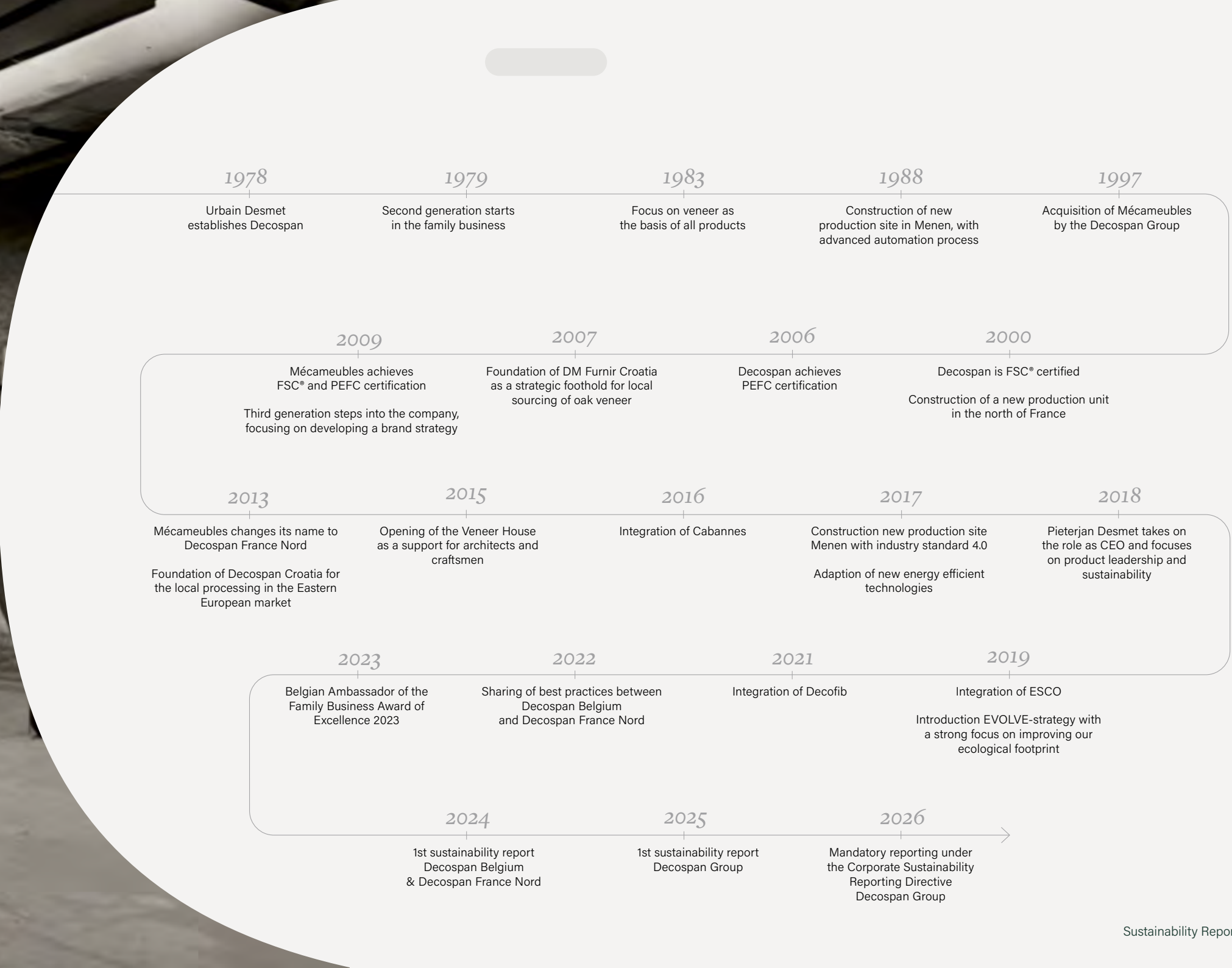
Decospan's rich history originates in West Flanders, Belgium, where Urbain Desmet, **our visionary grandfather, pioneered a revolutionary concept in the flax industry.** He transformed flax plant waste into flax board, laying the foundation for our company's ethos — turning waste into valuable resources.

Menotex, the precursor to Decospan, **integrated wood veneer onto the flax board,** evolving construction materials into decorative elements. By the late 70s, Decospan emerged as an independent entity under Urbain's sole proprietorship.

In the early 80s, Urbain's sons, **Jan and Marc, propelled Decospan to European veneered product leadership,** expanding across Croatia, Belgium, and France. In 2009, the third generation shifted from solely made to order, **to incorporating also branded products** like Shinnoki, Querkus, and Parky.

Now, embracing a customer-centric vision, Decospan envisions creating favourite places worldwide, marking the next chapter in our story of sustainable innovation and global leadership.





OUR MISSION, VISION AND VALUES

Our vision

Decospan believes that wood contributes to **beautiful, warm living and work interiors**. Not just that - it also **improves quality of life**. Based on this belief, we find comprehensive solutions for easy integration of this wonderful renewable natural material in our daily environment.





Our mission

*‘We create a world
full of favourite places
by bringing wood
into everyone’s life’*



Our values

Entrepreneurship

Embracing our motto, 'Be bold, be brave!', we courageously navigate calculated risks. **Driven by a commitment to take initiative, actualise our ambitions, and shape our own path, we identify opportunities and set clear objectives.** Like an eagle on a focused flight, we pursue our goals with unwavering determination.

Excellence

At Decospan, we draw inspiration from the collaborative spirit of beavers constructing dams. **Our objective is to provide the highest quality wooden interior solutions as a cohesive team,** where each member consistently strives for the highest standards in all aspects of their work.

Sustainability

The near-extinction of the Arctic fox is a powerful symbol, **urging us to prioritise environmental stewardship.** Our commitment is to manufacture products with minimal impact

on the planet. Emphasising the use of natural and renewable materials, we take a sustainable approach to utilising wood in our production processes.

Passion

We passionately pursue our objectives, infusing **our shared dedication to wood throughout our organisation.** As a market-oriented lifestyle company, we actively collaborate with partners and customers to offer comprehensive solutions, enabling people to incorporate wood into their daily living environments.

Respect

As a three-generation family business, Decospan operates on a foundation of respect, **creating value not only for our products, but also for our people, customers, and suppliers.** We treat everyone with deep respect, just as we value our raw material, wood, fostering enduring, long-term relationships built on mutual respect.



DECOSPAN GROUP

Key figures



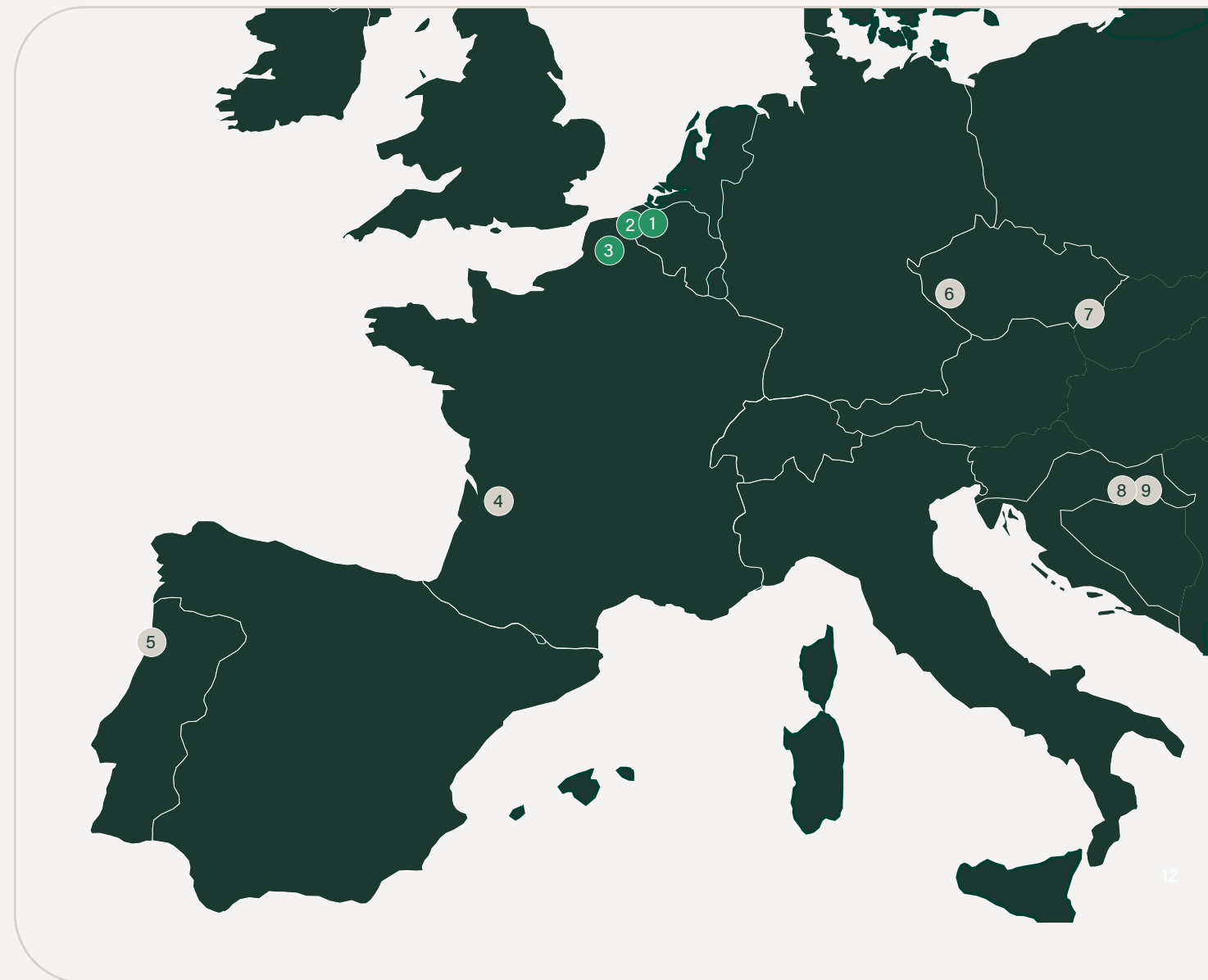
GLOBAL ACTIVITIES

Decospan reaches a global market. **We sell our products in more than 75 countries** and have established **experience centres in three key locations: New York, Paris, and Shanghai.** Our production activities are exclusively based in Europe. We operate nine manufacturing facilities spread across five countries.

We provide tailored **solutions for architects, project developers, processors and industry.**

This report relates to the sites in Belgium and Northern France and will be extended to the entire Decospan Group in the upcoming years.

- 1 Decospan Belgium - RL
- 2 Decospan Belgium - LW
- 3 Decospan France Nord
- 4 Cabannes
- 5 Decofib
- 6 ESCO Production
- 7 ESCO Sawmill
- 8 Decospan Mato Furnir
- 9 Decospan DOO

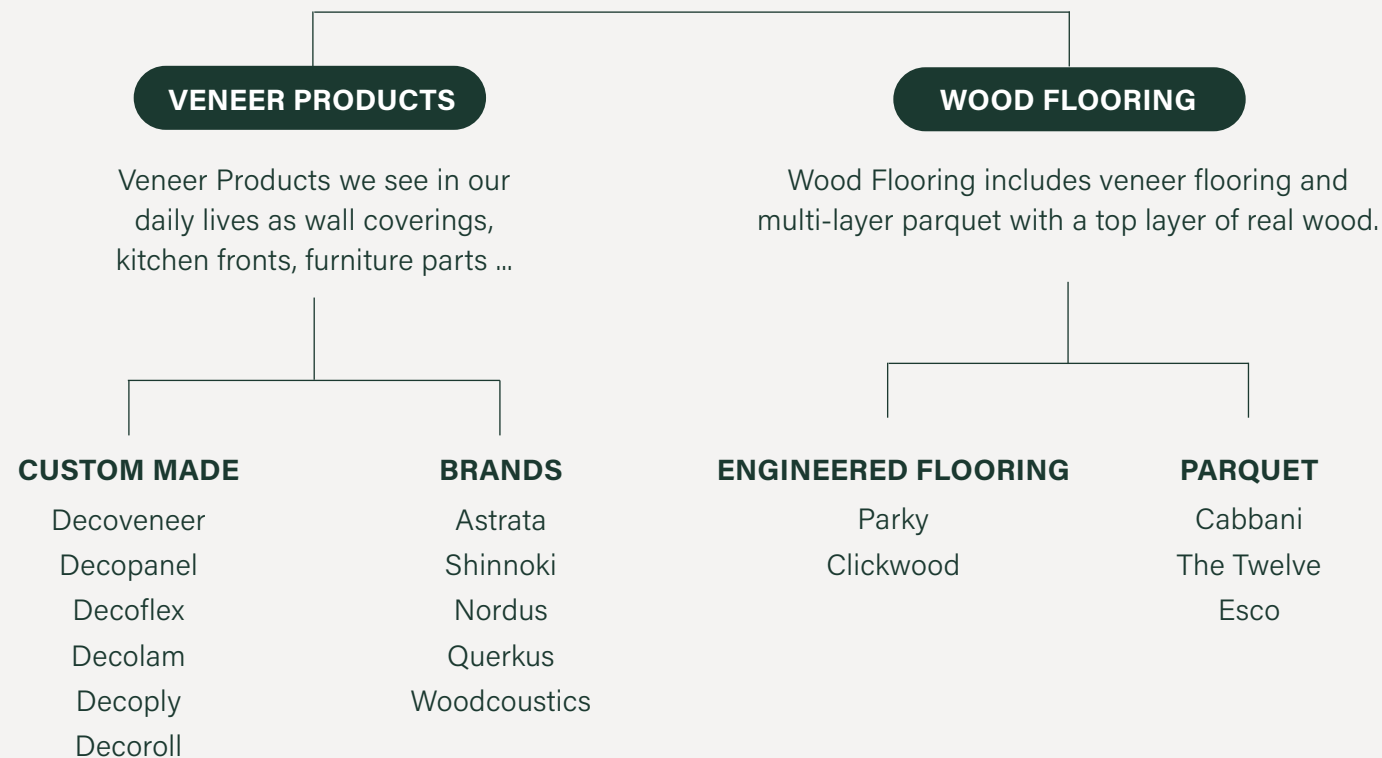


TWO DISTINCT BUSINESS UNITS

To fully leverage the capabilities of our plants, we made the strategic decision to divide Decospan into two distinct business units (BUs), each with its own independent structure.

One BU is dedicated to **Wood Flooring**, and the other focuses on **Veneer Products** (formerly Panels). This BU structure is designed to enhance focus, enabling us to offer more targeted solutions to our clients and support our growth ambitions.

*The product portfolio comprises two main categories:
Veneer Products & Wood Flooring*





ENDLESS POSSIBILITIES

Veneer represents the quintessence of wood. At Decospan, **we seamlessly integrate this natural beauty into a wide variety of interior design projects.** Our product range spans veneered panels, wooden floors, panelling systems, acoustic products, wall and ceiling panels, furniture components, wooden slats, and much more.

Parquet

We offer a broad selection of wood floors, ranging from high-quality veneer floors to engineered parquet floors finished with oil or lacquer.



Furniture Panels

Our decorative wood panels can be transformed into furniture panels or integrated into any interior design. Explore furniture panels in over 100 wood types.



Wall Covering

Wood wall covering seamlessly integrates nature into projects, offering numerous possibilities to create enduring decorative walls with veneers.



Branded Wood Solutions

Beyond customised solutions, Decospan has developed several collections that creatively bring wood veneer to the public and simplify its specification.

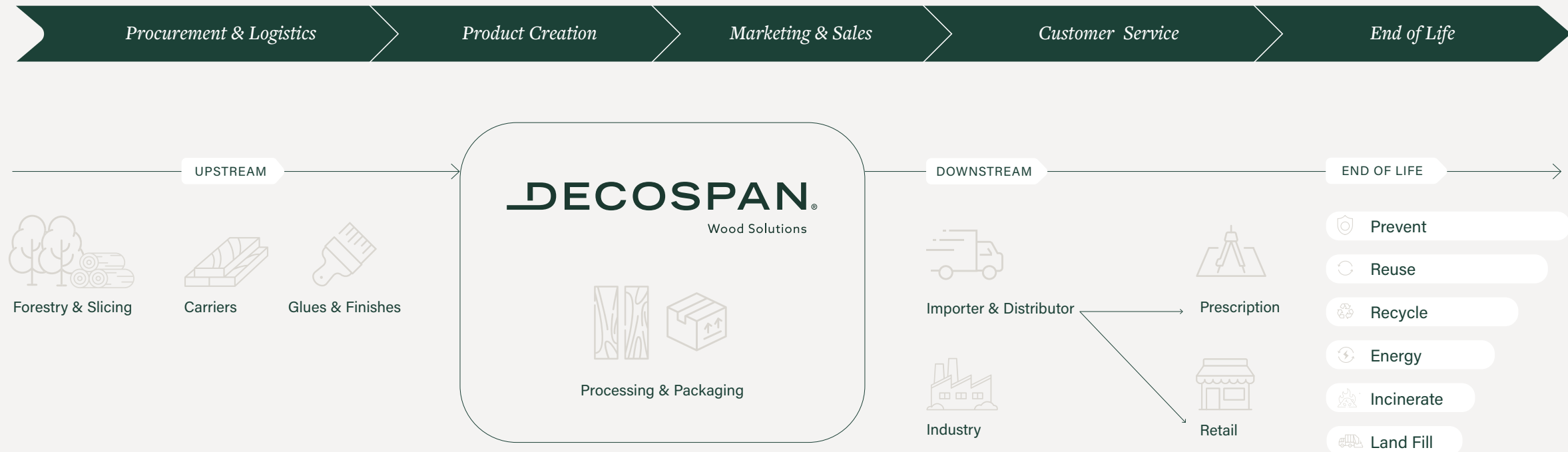
OUR VALUE CHAIN

At Decospan we strive to initiate **changes across every dimension** of our value chain.

Our **upstream partners** supply the raw materials that are essential for our operations, including responsibly sourced wood products, as well as chemicals such as glues and finishes.

We strategically **produce high-quality wood products** distributed through various channels. In **managing the end-of-life phase** of our products, we employ **the Ladder of Lansink**, also recognised as the Waste Hierarchy, which prioritises the optimal handling of waste.

Decospan is determined in its dedication to creating and adding value in both social and environmental domains, with sustainability pillars taking precedence in our mission.



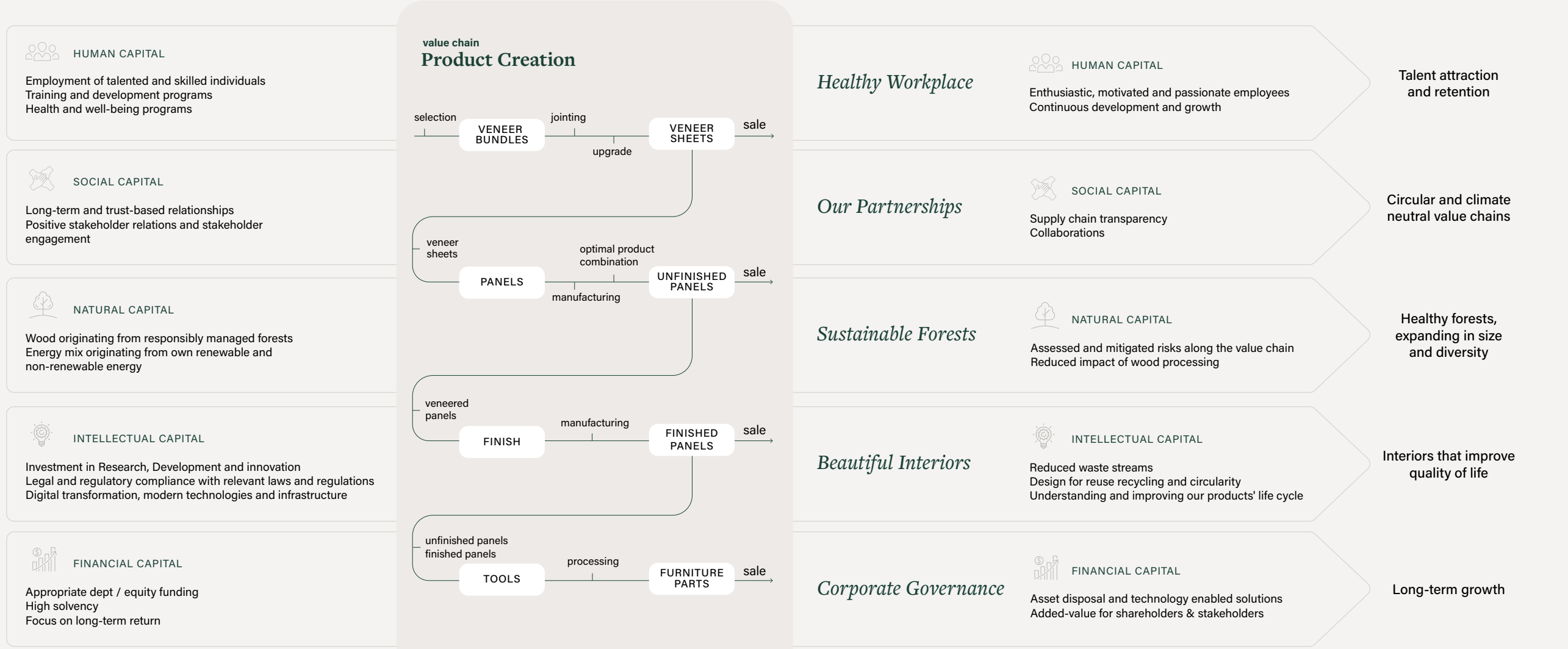


HOW WE CREATE VALUE

In our commitment to create value, our goal is to design environments filled with cherished spaces, making wood an integral part of everyone's daily experience.

To achieve this ambition, **we rely on key elements and essential resources:**

- Talented and skilled people.
- Positive and trust-based stakeholder relations.
- Wood from responsibly managed forests.
- In-house intellectual capital.
- Availability of financial means and focus on long-term return.





A world full of favourite places

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A WORLD FULL OF FAVOURITE PLACES

There is a significant trend towards **incorporating more natural materials into our lives, homes, and buildings, driven by the potential benefits of mental well-being and environmental considerations.** Natural wood products, especially, are gaining popularity for their carbon sequestration abilities. The anticipated demand for renewable materials is expected to double by 2030ⁱ. However, with our global tree cover and biodiversity under pressure, **we must actively contribute to regenerating vital resources,** particularly by fostering the expansion of forests and biodiversity.

In response, we have developed a strategic plan to realise our mission: **to create a world full of favourite places by bringing wood into everybody's life. The three core pillars, referred to as our three 'favourite places', each embody both short-term and long-term objectives.**



ⁱ Green buildings. (z.d.). European Climate Pact. https://climate-pact.europa.eu/priority-topics/green-buildings_en



*Our mission is to create
a world full of favourite
places, by bringing wood
into everyone's life.*



Respect

Excellence

Passion

Entrepreneurship

Sustainability

Favourite place
SUSTAINABLE FORESTS

To achieve our mission, it is essential to manage our forests properly. This not only requires transparency throughout the value chainⁱⁱ, but also educating consumers and actively engaging local communitiesⁱⁱⁱ. We are committed to playing our part in reforestation and restoring biodiversity. Therefore, **our ambition is to contribute to the creation of healthy forests that grow in size and diversity.**

8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



15 LIFE ON LAND



Favourite place
HEALTHY WORKPLACE

Our people are our strongest asset, serving as the driving force behind our numerous accomplishments over the decades. Moving forward, we will continue to shape our high-performance culture and recruit talented people that align with our vision. We are dedicated to fostering a secure and comfortable workplace where everyone feels valued, respected, and included—an environment in which each team member has opportunities for personal and professional growth. Therefore, **our ambition is to cultivate a positive environment where people can grow and feel good.**

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



Favourite place
BEAUTIFUL INTERIORS

Our products are our pride. We are on a mission to create beautiful decorative solutions for any interior by bringing wood into everybody's life. Our focus is on maximising the value of wood, ensuring that we can pass on our company to future generations. In the coming decades, we will progressively adopt low-emission adhesives and develop products that prioritise durability, reuse, and circularity. Therefore, **our ambition is to create superior and sustainable decorative solutions for any interior.**

3 GOOD HEALTH AND WELL-BEING



ii Nature, P. B. (z.d.). The importance of transparency and traceability towards zero deforestation. Preferred by Nature. <https://preferredbynature.org/newsroom/importance-transparency-and-traceability-towards-zero-deforestation>

iii Navalkha, C. (2018). Key lessons for community Engagement in Forest Landscapes. TFD Review, Number 9. https://theforestdialogue.org/sites/default/files/tfdreview_final.pdf



POWERFUL PARTNERSHIPS

However, we cannot accomplish this strategy by ourselves. Realising these goals will call for a collective effort. Hence, we seek **powerful partnerships** with sustainability-minded allies, who share our dedication to shaping a fully circular, climate-neutral value chain. **Together, we will persist in achieving our goals, while fostering a flourishing business for the generations to come.**



If you change because you have to, it's too late. If you change because you want to, then you're on time.

Remko Roest - Sustainability Manager, Baars en Bloemhoff

Our commitment to the United Nations Sustainable Development Goals (SDGs).

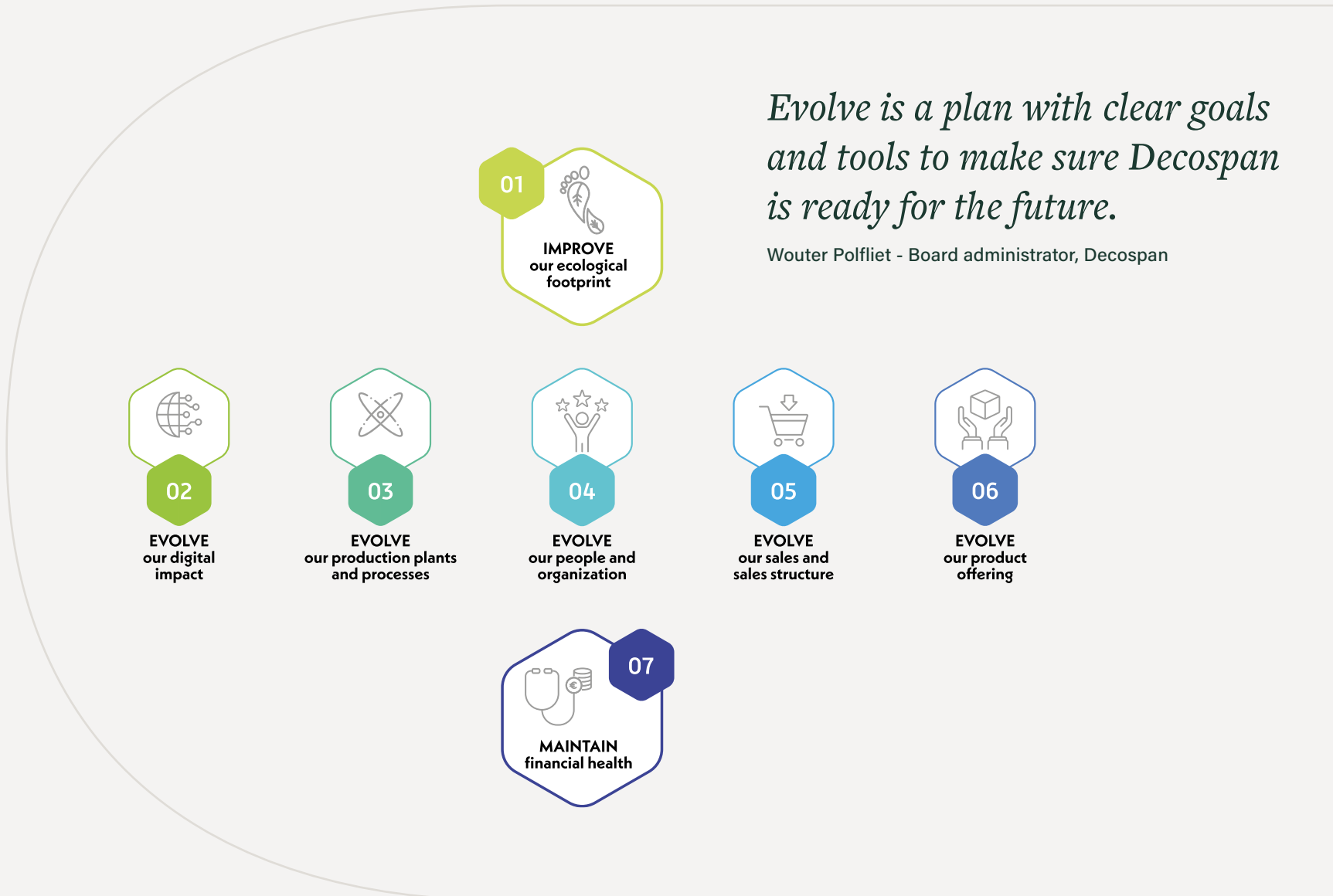
The SDGs are a crucial component of our sustainability strategy, guiding us in making informed decisions to ensure the future resilience of our business across our integrated value chain – from responsible sourcing and sustainable production to bringing more wood into people's lives. Relevant SDGs were identified and linked with the contents of this report.

EVOLVE OUR COMPANY TOWARDS GROWTH

Our business strategy, 'Evolve,' serves as **the driving force behind the growth of our company**. In our ambition to align the Evolve strategy with the Corporate Sustainability Reporting Directive (CSRD), we actively engaged with stakeholders throughout the value chain. This collaborative effort involved identifying material topics and industry priorities that now serve **as the foundation of our sustainability strategy**, setting targets on the short, medium and long term.

As a result, we expanded the scope of our business strategy's first pillar, 'Improving our ecological footprint' with social considerations, governance, and active engagement across the value chain.

Harmonising seamlessly with our mission, vision, and ambition, **the Evolve strategy forms the core of our sustainability framework**, where our priorities are articulated as 'favourite places,' reinforced by our familial values, the dedication of our team, and the strength of our strategic partnerships.



Evolve is a plan with clear goals and tools to make sure Decospan is ready for the future.

Wouter Polfliet - Board administrator, Decospan



SUSTAINABLE FORESTS

The vital role of forests

Each year, we lose approximately 10 million hectares of forests, an area roughly the size of Portugal.^{iv} Such massive deforestation has its consequences as forests play a crucial role in stabilising our climate, buffering against heatwaves, and supplying freshwater to agricultural lands. Moreover, deforestation is responsible for an estimated 12–20% of the world’s greenhouse gas emissions and a 66% decline in biodiversity and wildlife populations over the past years.^v

Halting deforestation and promoting sustainable forest management are crucial for protecting biodiversity, limiting global warming, adapting to climate change, and ensuring a sustainable water supply for our food system.

Responsible forest management enables us to meet society’s needs for wood and store carbon for hundreds of years, without depleting natural capital.

Despite a growing area of responsibly managed forests certified by the **Forest Stewardship Council (FSC®)** or the **Programme for the Endorsement of Forest Certification (PEFC)**, even better forest management is needed to ensure a sustainable and responsible approach to our valuable forests.

^{iv} Ritchie, H., & Roser, M. (2021, 4 februari). Deforestation and Forest Loss. Our World in Data. <https://ourworldindata.org/deforestation>
^v 6 charts that show the state of biodiversity and nature loss - and how we can go nature positive. (2022, 18 oktober). World Economic Forum. <https://www.weforum.org/agenda/2022/10/nature-loss-biodiversity-wwf/>

Green 2025

Responsible sourcing

Supply chain transparency:

We maintain transparency in the supply chain and trace the wood from country of origin to finished product.

Sourcing:

We prioritise sourcing wood from sustainable forests and suppliers who adhere to responsible forestry practices.

AMBITION

- 100% of all suppliers sign our Pure Wood Charter

Net zero 2030

Responsible sourcing

Source certification:

We ensure that our wood products are certified by reputable organisations such as FSC® or PEFC.

AMBITION

- 100% of suppliers are FSC® or PEFC certified
- 100% sourcing from responsibly managed forests

Local processing:

AMBITION

- First processing in country of harvest. Process 95% of logs within a radius of 750 km from the forest

Maximising resource utilisation

Resource efficiency:

We optimise wood cutting and veneer production processes to reduce waste.

AMBITION

- 20% reduction of wood waste streams

Net positive 2040

Protecting ecosystems

Reforestation

We will take a role in growing the 3 million trees needed to reverse global warming and restore the biodiversity.

AMBITION

- Double the CO₂ absorption compared to the amount captured in our products, by increasing land cover/forest surface and increase of biodiversity value



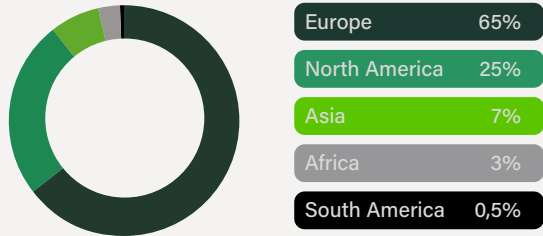
RESPONSIBLE SOURCING

Our primary raw material is wood. The trees providing us with wood veneer play a crucial role in carbon storage and oxygen production. Recognising the vital importance of wood, we want to assure our stakeholders that our wood originates from responsibly managed forests.

Our Pure Wood Charter, consists of **ten guiding principles that demonstrate our dedication to the responsible sourcing and use of wood**, ensuring the preservation of forests and ecosystems for future generations, as well as social aspects. We request our suppliers to sign and fully adhere to this charter.

In 2023, 95% of wood suppliers agreed to our Pure Wood Charter, while an additional 4% presented their own charter, aligning with our dedication to responsible forestry. The remaining 1% represents only one supplier, with whom further dialogue is pursued on this topic.

Sourcing areas 2023



Pure Wood Charter 2023



OUR PURE WOOD CHARTER

Within this charter, we formalise our ethical and sustainable practices in the wood market, guided by the following principles:

1. Responsible sourcing:

We only accept wood from legal and non-controversial sources, complying with national and international forest management laws.

2. Human rights and fair employment:

Both we and our suppliers are committed to respecting human rights and maintaining fair employment conditions.

3. Preservation of high-value areas:

We refrain from purchasing wood from environmentally or culturally significant areas that are under threat from unsustainable practices.

4. Avoidance of modified and converted wood:

We discourage the use of genetically modified or converted wood from forests turned into non-forest lands.

5. Protection of endangered species:

Our trade in endangered wood species aligns with international CITES regulations.

6. Legal compliance:

We adhere to the European Timber and Deforestation Regulations to ensure our wood products meet legal requirements.

7. Information transparency:

Upon request, we provide customers with detailed information about our wood, excluding confidential supplier data.

8. High-risk wood supply:

In cases involving high-risk wood, we trace its origin and may conduct audits throughout the supply chain.

9. Rejection of illegal activities:

We do not engage in illegal activities related to wood trade, tax evasion, or non-compliance with reporting and trade laws.

10. Respect for labour rights:

We uphold the ILO Core Conventions to ensure the protection of workers' rights.

To further minimise the environmental impact of our activities, we ensure that primary processing of timber occurs in the same country as where it is harvested. This practice effectively reduces the transportation distance for wood logs, which often contain a high water content. Adhering strictly to our policy, we limit the transport distance of logs to a maximum of 750 km from the point of harvest.

Ninety-nine percent of our suppliers have signed our Pure Wood Charter, demonstrating their commitment to responsible sourcing. This level of participation emphasises a shared dedication to preserving our forests and ecosystems.

Pieter Desmet - Wood Director, Decospan



Our certifications

At Decospan, we take pride in our commitment to responsible forest management, exemplified by **our certifications from FSC® (FSC-C095327) and PEFC (PEFC/07-32-60).**

95% of the wood we purchase is certified. For the remaining 5%, we implement strict due diligence, thoroughly verifying the legality and ethics of the harvesting practices.

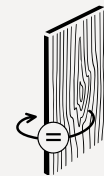


MAXIMISING RESOURCE UTILISATION

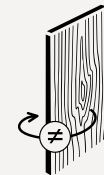
Wood is a precious but limited resource. That is why, we are committed to ensuring optimal use of this valuable material. **Through optimisation of the cutting and splicing process, we aim to minimise wood waste, applying modern technologies to maximise yield.** Similar to a butcher, meticulously optimising every part of a cow, from premium cuts to lesser-known sections, we select and upgrade veneer carefully by sorting, combining, and jointing veneer strips into sheets. These sheets, in turn, are sorted into the finest cuts and those with a bit more character. Each veneer sheet finds its best fit application, whether in a collection or as a customised panel, aligning with our strategic focus to optimise every part of the harvested tree.

SHINNOKI®

The Shinnoki panels exemplify how we optimise the use of our wood. Shinnoki is available in two executions:



Exclusive represents the very best Shinnoki has to offer, **featuring quality veneer on both sides for a harmonious look.**



The Premium execution showcases **Shinnoki quality veneer on the front and the Shinnoki look on the back**, adding more character. This approach contributes to a distinct aesthetic.

The deliberate utilisation of sheets with distinctive characteristics prevents any wastage due to their unique features.





PROTECTING ECOSYSTEMS

Deforestation and forest degradation pose substantial threats to forests, with significant social, economic, and environmental consequences on both local and global scale. They stand as major contributors to climate change and biodiversity loss.

The recently introduced EU Deforestation Regulation (EUDR) is designed to address these challenges. **The EU aims to protect and improve the health of existing forests, while significantly expanding sustainable, biodiverse forest coverage on a global scale.** This necessitates the identification of effective strategies to guide our transition, ensuring the continuity of our competitiveness.

Consequently, **our ambition is to contribute to the creation of healthy forests that grow in size and diversity and to protect ecosystems by 2040.**

We not only hold certifications but also wholeheartedly support the sustainable use and procurement of our raw materials.

Mieke Desmet - Quality manager, Decospan

Nature's revival: Our ecological restoration farm

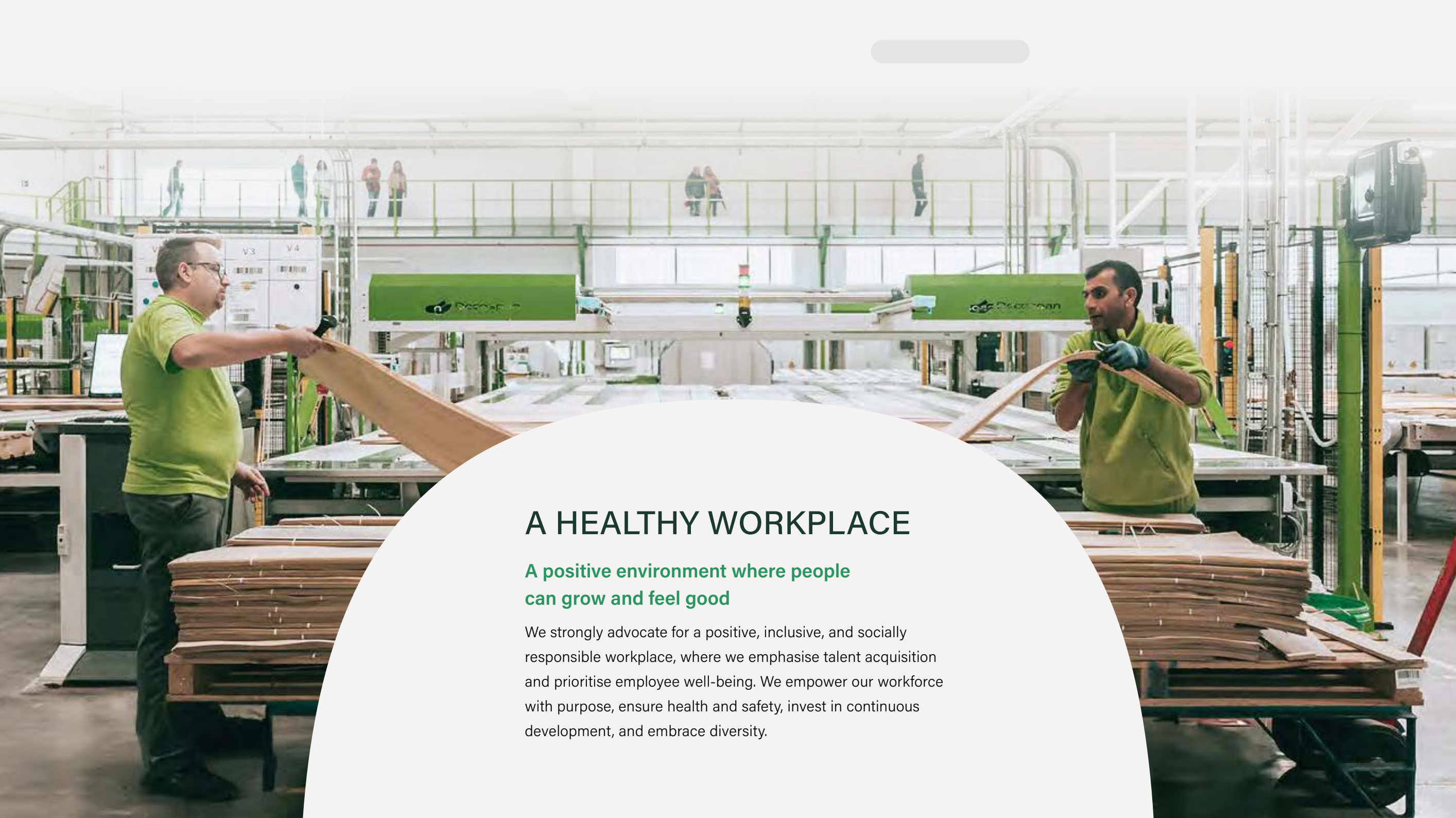
Decospan successfully concluded the acquisition of Campus Urbano. Situated right across from Decospan's primary production facility, **Campus Urbano is a piece of historical heritage** encompassing a farmhouse, a listed barn, stables, and a picturesque landscape drenched in the history of flax farming and livestock.

Our ambition is to **carefully restore the site's heritage**, in line with its historical values and the scale, landscape, and context of our business activities.

Exploring the lives of our beehives

On average, 20% of bee colonies disappear each year. We are driven to make a positive impact in regard to preserving our ecosystems. **In the last year, we installed beehives on our premises, creating a perfect environment for the bees to explore the surrounding area, happily pollinating various flower mixes nearby.** At Decospan, we make sure our employees understand the importance of these beehives. They can win a jar of fresh honey produced by our bees and even visit the bees with a professional beekeeper.





A HEALTHY WORKPLACE

A positive environment where people can grow and feel good

We strongly advocate for a positive, inclusive, and socially responsible workplace, where we emphasise talent acquisition and prioritise employee well-being. We empower our workforce with purpose, ensure health and safety, invest in continuous development, and embrace diversity.

Key figures




13 Active Woodys



200+ Orders packed by supported employment enterprises




320 Laps completed in our Move for Parkinson charity event



70% Overall employee engagement



78 Decofit activities



14274 Training hours

Green 2025

Net zero 2030

Net positive 2040

<p><i>Talent</i></p> <p>Hire the right people</p> <p>AMBITION</p> <ul style="list-style-type: none"> Increase internal mobility from 21% to 30% by the end of 2025 		<p>Hire the right people</p> <p>AMBITION</p> <ul style="list-style-type: none"> Increase internal mobility to 35% across Decospan
<p><i>Performance</i></p> <p>Encourage career growth</p> <p>AMBITION</p> <ul style="list-style-type: none"> Include at least one ESG-target for all employees <p>Provide adequate training and development</p> <p>AMBITION</p> <ul style="list-style-type: none"> Conduct a yearly governance training for all leadership positions Launch of Decospan Academy 	<p>Provide adequate training and development</p> <p>AMBITION</p> <ul style="list-style-type: none"> Further develop a comprehensive employee training and development program for all employees 	
<p><i>Employee engagement</i></p> <p>Define a strong company culture</p> <p>AMBITION</p> <ul style="list-style-type: none"> Have Decospan's Code of Conduct available for all employees, including training <p>Listen to employee feedback</p> <p>AMBITION</p> <ul style="list-style-type: none"> Achieve an Employee Engagement Score result of 75% 	<p>Define a strong company culture</p> <p>AMBITION</p> <ul style="list-style-type: none"> At least 50% of all sponsorship goes to welfare and community support 	<p>Define a strong company culture</p> <p>AMBITION</p> <ul style="list-style-type: none"> Establish partnerships with NGO's for community development
<p><i>Reward</i></p> <p>Recognise and reward achievements</p> <p>AMBITION</p> <ul style="list-style-type: none"> Maintain equal pay throughout the organisation 		
<p><i>Health & well-being</i></p> <p>Provide a safe and comfortable workspace</p> <p>AMBITION</p> <ul style="list-style-type: none"> Decrease short term absenteeism throughout Decospan with 10% <p>Promote health and well-being</p> <p>AMBITION</p> <ul style="list-style-type: none"> Extend Decofit with community support and employee volunteering initiatives 	<p>Diversity and inclusion</p> <p>AMBITION</p> <ul style="list-style-type: none"> Implement our diversity and inclusion strategy <p>Provide a safe and comfortable workspace</p> <p>AMBITION</p> <ul style="list-style-type: none"> Reduce workplace accidents below the sector average 	<p>Provide a safe and comfortable workspace</p> <p>AMBITION</p> <ul style="list-style-type: none"> Zero accidents

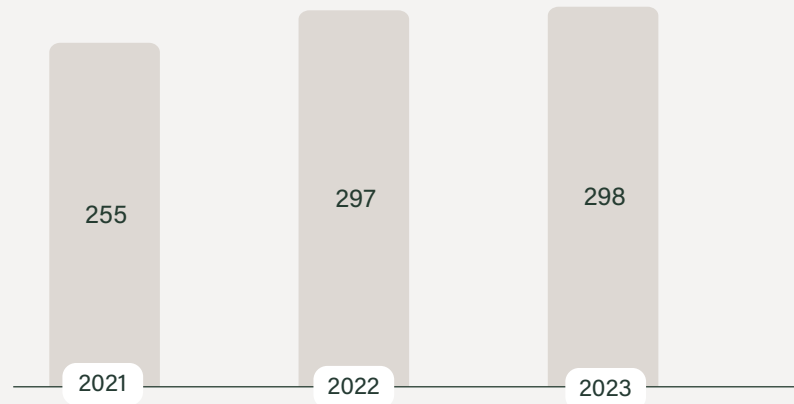
WELCOME TO THE DECOSPAN FAMILY

The incredible team and talent we have at Decospan are genuinely valued.^{vi} Our people are the very foundation of our organisation, much like the robust trunk is to a tree. From the beginning, **our goal has been to cultivate an environment where we care for each other—a space for learning, growth, and shared success.** While this is a tremendous asset, it is important to recognise the ongoing need for nurturing and development. **Continuously prioritising the physical, mental, and social well-being of our team members is not just a priority, it is the heart of a compassionate and successful sustainable transition.**^{vii}

Our firm is value-driven. We are passionate, entrepreneurial people who treat each other in a respectful manner and pursue excellence. Sustainable behaviour is inherent in our DNA. We create an inclusive environment where people can develop in breadth and depth.

At the heart of our sustainable practices lie our human resources policies, carefully crafted to encompass **five pivotal pillars: Talent, Performance, Employee Engagement, Reward, and Health & Well-being.** These pillars not only shape our organisational culture but also underline our dedication to the development and well-being of our workforce.

Number of employees (head count)



^{vi} Ballegeer, C. (2023, 28 maart). Decospan wins the 'Family Business Award of Excellence' 2023. Ey. https://www.ey.com/en_be/news/2023/03/decospan-wins-the-family-business-award-of-excellence-2023
^{vii} Deloitte. (z.d.). Well-being: A new cornerstone for ESG strategy and reporting. In Well-being: A New Cornerstone For ESG Strategy And Reporting (pp. 1–8). https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/human-capital/ca-consulting-human-capital-Eminence_Final_Paper_One_EN_AODA.pdf



TALENT

Our primary goal in talent management centres on the internal mobility of our own employees. **We want to increase the movement of employees, vertically and laterally,** to new career and development opportunities within the organisation from 21% to 30% by the end of 2025.

Hiring the right people

We focus on hiring individuals who not only have the necessary skills but also fit into our company culture. Central to our talent strategy is the focus on having the right person on the right place.

In pursuit of this goal, we have launched a campaign to attract new talent. It goes beyond conventional recruitment by not only attracting skilled professionals but, more importantly, by **cultivating an organisational culture** that acts as a talent magnet.

Be brave, be bold, be you.



Employer branding: Decospan is looking for characters

In 2023, we launched a new employer branding campaign to attract new talent. In this campaign, we showcase **Decospan as a leading brand when it comes to jobs**. In-depth research and close examination of our unique identities, highlighted as common thread: **character**.

PERFORMANCE

We invest in employee training and development programmes and offer opportunities for skill enhancement and career advancement. We set high standards for performance, encouraging our employees to reach their full potential. Through **training initiatives, regular feedback, goal-setting, and performance evaluations**, we create a culture of accountability and transparency.

Providing adequate training and development

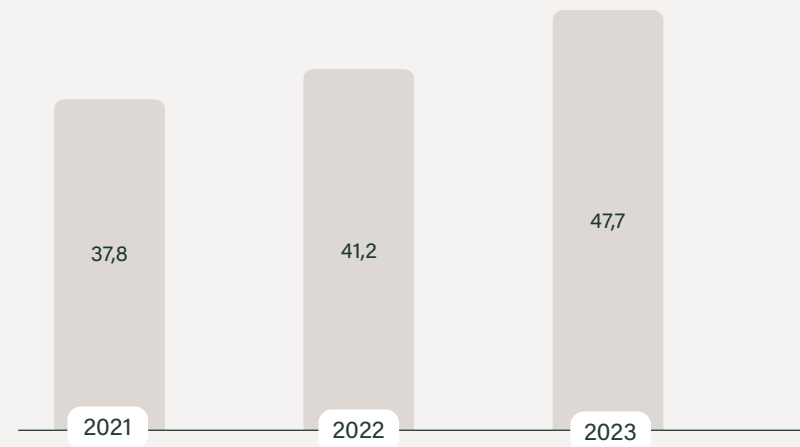
We empower our existing staff with the opportunity to continuously enhance their skills. **Employees are encouraged to pursue further education, enabling them to stay ahead in their respective fields.** To foster a culture of continuous learning and growth, all our employees have the opportunity to take classes as part of 'Everyone Learns!' We provide coaching for foreign-language staff and offer them 'Dutch in the Workplace' classes. Partnering with Woodwize and Mentor, we address language challenges with a visual dictionary and language coaching.

We offer dedicated training sessions that focus on **instilling integrity, empathy, and responsibility**, empowering ethical leadership. By valuing diverse perspectives, decentralising

decision-making, and promoting accountability, **this approach ensures our organisation thrives responsibly and ethically.**

Last but not least, in 2024 we will launch our **Decospan Academy, a dynamic platform available for each employee to unlock their full potential.** Therefore, we do not only aim to further develop a comprehensive employee training and development program, but also to conduct a yearly governance training for all leadership positions.

Average number of training hours per employee





Smoothing the onboarding journey

We believe in the power of shared experiences and continuous learning. We harness the knowledge and expertise within our organisation by encouraging our own workforce to train and mentor new employees.

Each new employee is **carefully matched with an experienced team member, referred to as 'Woody'**, based on their job role, personality, and interests. Alongside Woody, our **'Survival Kit For New Employees'** serves as a crucial guide providing essential information for a seamless integration. An **onboarding lunch** after six months ensures ongoing support and feedback opportunities.

Encouraging career growth

We provide a clear path for career advancement within the company and support employees in **setting and achieving their career goals**.

Annual performance reviews, serve as a guide for professional development. Through constructive feedback and goal-setting, **we empower employees to shape their careers, identify improvement areas, and enhance skills**. For that reason, our ambition is to integrate ESG metrics into annual performance evaluations for all employees by 2025.

EMPLOYEE ENGAGEMENT

Defining a strong company culture

We embrace our family values. As a family business, Decospan prioritises familial values, promoting a sense of belonging. Amid international growth, our accessible and communication-friendly environment ensures trust and empathy. Our ambition for 2025 is to have the Decospan's Code of Conduct available for all employees, including training on the matter. This topic is discussed further in this report. Also, we aim that at least 50% of all sponsorship goes to welfare and community support.

Listening to employee feedback

Each year, we actively gather input from our employees through a comprehensive engagement survey, valuing the opinions of our employees to understand their feelings and enhance workplace conditions. This powerful tool assesses commitment and overall motivation, provides insights into job satisfaction, team dynamics and leadership effectiveness, while having impact on organisational viability

and social responsibility. Engaged employees tend to be more productive, creative, and dedicated to their tasks. At Decospan, employee engagement is essential in our responsibility to a thriving workplace. That is why we aim to achieve an EES result of 75% by 2025.

Employee Engagement Score (EES)



employee engagement 70%

While many companies consider an implicit welfare policy as the cherry on top of the cake, for us, it constitutes the very essence of the cake itself.

Alissa Bastiaen - Communication & Engagement Officer, Decospan



REWARD

Recognising and rewarding achievement

We have implemented an employee recognition programme to acknowledge and reward outstanding performance, valuing both daily successes and significant milestones. In our 'Thank you very much' section of the KARAKTERS magazine, interviews highlight these achievements, expressing gratitude for consistent dedication.



Golden safety rules

1 I follow the WORK INSTRUCTIONS and I THINK before I ACT

- I act consciously and safely
- I apply LOTO.
- I intervene in dangerous situations or behaviors.
- I do not suggest unsafe behaviour from the routine.
- I dare to ask for help from others.



2 I REPORT all ACCIDENTS and HAZARDOUS SITUATIONS

- I report using the correct reporting form.
- I inform my manager AND the prevention consultant of accidents and dangerous situations.
- I actively consider possible preventive measures.

3 I keep my workplace ORDERED and RANKED

- I ensure a clean and safe environment.
- I check my work materials before starting.
- I always store my work materials.
- I make sure that emergency exits, passageways and fire extinguishers are ALWAYS accessible.
- I separate my waste and dispose of it in the right garbage can.



4 I wear my PERSONAL PROTECTIVE EQUIPMENT

- I always wear safety shoes in production and warehouses.
- I wear the protective equipment provided for my task.
- I regularly check the condition of my personal protective equipment.
- I do not wear loose clothing, loose hair or jewelry near machines.
- I do not use headphones or earphones in the workplace.

5 I respect the RULES OF TRAFFIC and I give way to the lift trucks

- I respect the internal circulation plan.
- I maintain visual contact.
- I only drive a machine with a valid certificate.
- I use the forklift only for work-related trips.



6 I TAKE CARE of my COLLEAGUE

- I am aware of the risks associated with my machine and the environment.
- I supervise and inform my new colleagues.
- I make others aware of dangerous behaviors.
- I always set a good example.

HEALTH AND WELL-BEING

At Decospan, our people are our most valuable asset. We foster health and well-being by prioritising a safe, comfortable workspace, and promoting overall health and wellness.

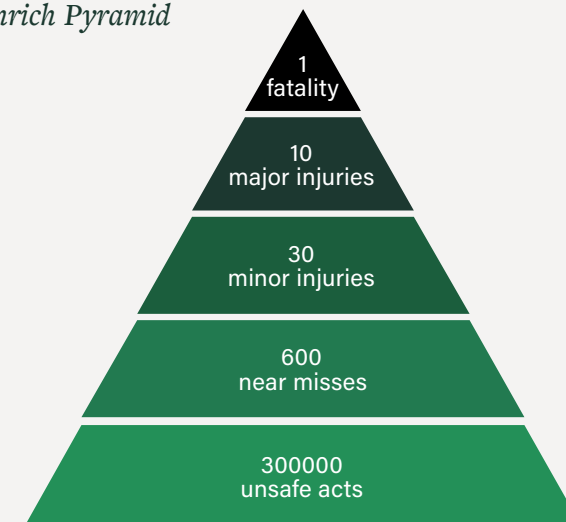
Providing a safe and comfortable workspace

We maintain a clean, safe, and ergonomic workplace. To strengthen safety at work, we use the **Heinrich Pyramid**, a crucial framework in **occupational safety, as the base**. This pyramid outlines the link between near misses, minor injuries, major injuries, and fatalities.

In 2023, a notification system for risk situations was implemented and promoted through a prevention campaign. Encouraging the notification of potential unsafe situations and workplace accidents leads to a rise in reporting compared to the previous years, but also supports a better understanding of risks and triggers corrective actions. A risk-based approach supports the definition of priorities for annual and global prevention action plans. This contributes to the basis of our **Decospan Operational System (DOS)**, setting targets for Safety, Quality, Delivery, Cost, and People (SQDCP).

We focus on individual behaviour to minimise accidents, as 90% result from human actions. Regular safety knowledge assessments and our ongoing prevention campaign, featuring **Golden Safety Rules**, ensure continuous improvement. Any rule violation requires immediate reporting, making safety non-negotiable. We aim for a proactive approach by 2025 and to reduce workplace accidents below sector averages by 2030. Our ultimate ambition for 2040 is to achieve zero workplace accidents.

Heinrich Pyramid



Psychosocial well-being

Beyond occupational safety, we value the psychosocial well-being of our employees. Our supportive environment addresses mental and emotional health while **providing accessible channels for support**, including an internal confidential advisor, company doctor, intake line, crisis line, and a dedicated working group, ensuring everyone in the Decospan group knows where to turn for assistance.



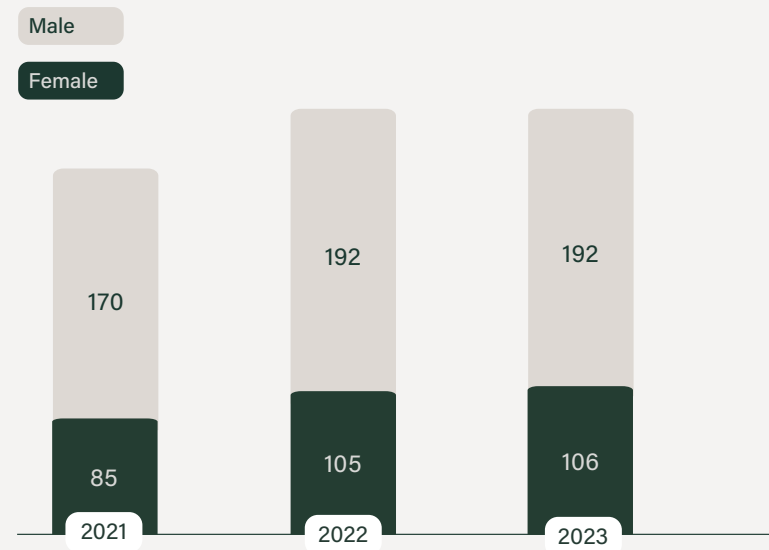
Diversity and inclusion

At Decospan, a diverse workforce is considered to be the prerequisite for creativity and innovation. That is why we want to create a sense of belonging, **a workplace where every individual feels respected, valued, and accepted, regardless of their background.**

To strengthen our commitment to diversity and inclusion we are currently in the process of creating a dedicated strategy. Once the final strategy is established, we will actively educate our employees on the subject.

Through education, awareness creation, and continuous training, our goal is to successfully **implement our diversity and inclusion strategy by 2030.**

Total number of employees by gender



Diversity is being invited to the party, inclusion is being asked to dance.

Pauline Ollivier - Group Compliance Coordinator, Decospan





Our role in society

Decospan acknowledges its impact on surrounding communities and directs efforts through the Good Causes Committee **to support various charitable organisations and initiatives.** Notable examples include organising and participating in charity events as **'Move for Parkinson'** and the **'Think Pink Run!'** As the main sponsor of the **Menen Triathlon** and local volleyball club, **Decospan Volley Team Menen,** we actively promote sports organisations and support community activities. We contribute to VTI Menen, **collaborating on educational projects for woodworking students.**

Partnerships with supported employment enterprises like Interwest and Les Papillons Blancs reflect our commitment to inclusive business practices.



BEAUTIFUL INTERIORS

Recognising the importance of wood in our daily living environment

Wood is one of humanity's oldest and most versatile building materials. Today, its role in designing and constructing healthy living, working, learning, and recovery spaces is more significant than ever. Incorporating wood in design creates a biophilic connection, **promoting a sense of well-being by introducing natural elements into our surroundings.** This comes with various benefits, such as stress reduction, improved cognitive performance, and enhanced emotional well-being. Which is manifested in physiological changes such as lowered blood pressure and heart rate.

Our goal is to contribute to the transition towards **a wood-centric lifestyle** by designing aesthetically pleasing interior solutions, embracing low-emission adhesives, prioritising durability, reuse, and circularity in design. We're committed to ongoing lifecycle assessments for enhanced insights into material risks and opportunities during product expansion.

Green 2025

Net zero 2030

Net positive 2040

Well-being in every molecule

Assess the chemical composition of adhesives and finishes:

AMBITION

- 75% response rate on due diligence survey
- 20% of products zero added formaldehyde
- Examine biobased alternatives

Balanced life cycles

Life Cycle Assessment:

Understanding the environmental impact of our products throughout their entire life, from raw material extraction to disposal, aiming for improvement.

AMBITION

- LCA for all product categories
- EPD for all strategic collections

Well-being in every molecule

Zero/low-emission adhesives and finishes:

Opting for low VOC adhesives, finishes, and eco-friendly options minimises air pollution.

AMBITION

- Adopt 100% eco-friendly chemicals for strategic collections

Balanced life cycles

Product design for durability and reuse:

Designing durable products, prioritising easy repair or refurbishment. Considering modular or disassembly designs enabling component replacement rather than disposing of the entire product.

AMBITION

- Extend the life cycle of wood products, aiming to surpass the typical 60-year growth cycle of a tree
- Offer 90% of products certified by default

Well-being in every molecule

Zero/low-emission adhesives and finishes:

Opting for low VOC adhesives, finishes, and eco-friendly options minimises air pollution.

AMBITION

- Adopt 100% eco-friendly chemicals for all collections

Balanced life cycles

Expand our offering of total wood solutions for interiors:

We offer customised solutions for integrating wood into interiors, evoking feelings of calm, connection to nature, cosiness and well-being.

AMBITION

- Offer 100% of products certified by default

WELL-BEING IN EVERY MOLECULE

The use of wood in our living and working environments has a clear impact on our well-being. At Decospan, we aim to further enhance that impact by, for instance, limiting emissions from our products. More specifically, **we strive to eliminate added formaldehyde in 20% of our products by 2025**. We plan to achieve this goal through a diligent examination of current chemicals and exploration of biobased alternatives. This ongoing commitment ensures that we are not only compliant but also actively working towards safer and more sustainable practices.

Assessing the chemical composition of adhesives and finishes

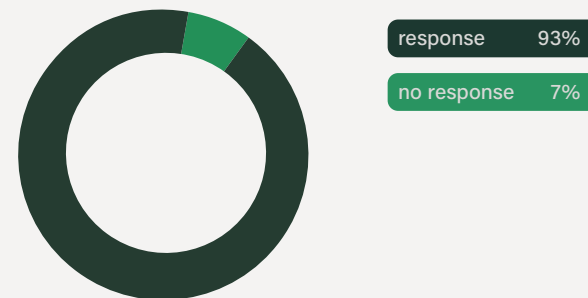
In 2023, we initiated our chemical due diligence evaluation to monitor how chemicals are used in products across the value chain. Our objective is to **conduct this assessment annually to stay ahead in navigating the regulatory landscape** and proactively address potential issues associated with chemical use.

Going for zero/low-emission adhesives and finishes

In our manufacturing processes, we prioritise low-VOC (Volatile Organic Compound) and formaldehyde-free options to minimise both emissions and potential health risks. As new eco-friendly technologies emerge, **we commit to adopting 100% environmentally friendly chemicals**.

We prioritise the quality and safety of our products above all else, and thus, throughout the development phase, each item undergoes meticulous testing before it is introduced to the market. **Our dedication to indoor air quality is evident in our verification against the Eurofins Indoor Air Comfort protocol.**

Response rate chemical due diligence 2023

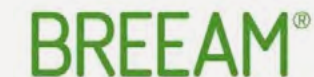


Sustainable buildings: How Decospan enhances BREEAM certification

BREEAM, which stands for Building Research Establishment Environmental Assessment Method, is a widely recognised sustainability assessment and certification method for buildings.

Our products play a role in earning credits, thus boosting a building's overall BREEAM rating. Our solutions impact various environmental aspects considered by BREEAM, such as VOC emissions, responsible sourcing, and life cycle impacts. For instance, our products contribute to the responsible sourcing category by holding FSC® or PEFC certifications. Additionally, Environmental Product Declarations (EPD's) contribute to the Life Cycle Impacts of BREEAM-certified buildings.

To further assist our customers in enhancing the BREEAM rating of their buildings, we are developing a comprehensive guide offering a clear understanding of how Decospan products positively impact the overall BREEAM score assessment.



STRIVING FOR BALANCED LIFE CYCLES

Executing product life cycle assessments

Environmental Product Declarations (EPD) have become a way to verify a product's environmental impacts, creating a baseline to monitor and improve the effect of products on the environment. An EPD is a verified and registered document that provides transparent information about the environmental impact of a product. The foundation of an EPD lies in a thorough **life cycle assessment (LCA)**, allowing people to evaluate a product's environmental performance – from raw material to manufacturing, transportation, use, and disposal.

In 2023, we completed the verification and publication of our first set of EPD's for our Parky range of flooring products.


The LCA revealed that our Parky floors are carbon negative during the product stage, as the carbon stored in the wood surpasses the emissions generated during

manufacturing. Looking ahead, our plan is to extend life cycle assessments to cover all Belgian-produced products in the upcoming year and eventually expand this practice to the entire Decospan group.

Solid and engineered wood flooring have a noticeably smaller carbon footprint than any other floor type, according to a market comparison by the National Wood Flooring Association (NWFA)

Frederic Steen - BU Director Flooring, Decospan





While trees grow in the forest, they store carbon dioxide from the atmosphere in their trunks, branches, stems, leaves, roots, and soil. So, when trees are sustainably harvested, wood continues to store carbon in the thousands of products we use every day, from paper products to lumber to energy generation. Trees then regrow, repeating the cycle.

US Department of Agriculture

Designing products for durability and reuse

Our commitment to sustainable practices is reflected in our product design philosophy, where durability and reuse are paramount. Our vision involves forging an alliance between circular design, durability, and reuse, drawing inspiration from the gradual rhythm of tree growth.

Our goal is to **extend the life cycle of wood products** beyond current market trends and immediate functionality, **aiming to surpass the typical 60-year^{viii} growth cycle of a tree by 2040.**

To achieve this, we are actively exploring innovative business models that not only enhance the natural environment but also yield financial returns for forests.

In addition, we have set an ambition to **certify 90% of our products**. By promoting responsible consumption, encouraging reuse, and supporting the refurbishment of wood-based products, we actively contribute to the preservation of tree cover, alleviating deforestation pressures, and safeguarding biodiversity.

viii Hayek, J. (z.d.). Financial and Biological Maturity. University Of Illinois. <https://web.extension.illinois.edu/askextension/thisQuestion.cfm?ThreadID=11137&catID=198&AskSiteID=87>

Expand our offering of total wood solutions for interiors.

Expanding our offering of comprehensive wood solutions for interiors is a key part of our vision. We are committed to developing products that **not only prioritise durability but also improve performance**. Our product range will include low and VOC-free options, contributing to better air quality in interiors and offering solutions for biophilic designs. This approach not only enhances the aesthetics of interiors but also aligns with responsible forestry practices, conservation efforts, and the bridge between human needs and environmental responsibility.

Creating a functional and cosy office space

Cosiness is motivational. A comfortable and cosy working environment has a positive impact on employee motivation. This relationship is well-established. By covering a wall with veneer, we introduce that cosiness to the working environment and contribute to a motivating atmosphere.

Embracing nature indoors

The natural materials complement the white canvas, almost drawing the garden into the interior. The warm and inviting colour adds depth and texture to the space, making it the perfect choice for creating a cosy and stylish atmosphere.





03/ OUR PARTNERSHIPS

SHAPING A FULLY CIRCULAR, CLIMATE-NEUTRAL VALUE CHAIN

The built environment, including the construction industry, is responsible for nearly 40% of global carbon emissions^{ix}. To mitigate the environmental impact, the construction sector is increasingly turning to renewable materials, and wood is gaining prominence. **Wood's pivotal role lies in its ability to sequester carbon indefinitely.** However, a concerning trend reveals that 60% of felled wood in Europe is still being burned^x, counteracting the positive effects of this valuable natural resource.

An average tree can store up to 25 kg of carbon^{xi} dioxide per year. Currently, EU forests absorb around 10% of the EU's annual emissions^{xii}. Subsequently, **increasing tree cover and adopting a resilient, responsible approach** to using wood can significantly **contribute to achieving climate goals.**

We have outlined an inspiring mission and set aspirational ambitions for ourselves. To make a real impact, we are actively seeking **powerful partnerships** with like-minded allies who share our dedication to shaping **a fully circular, climate-neutral value chain.**

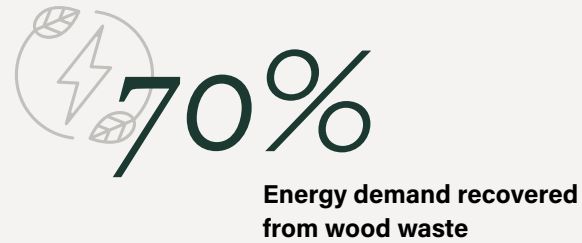
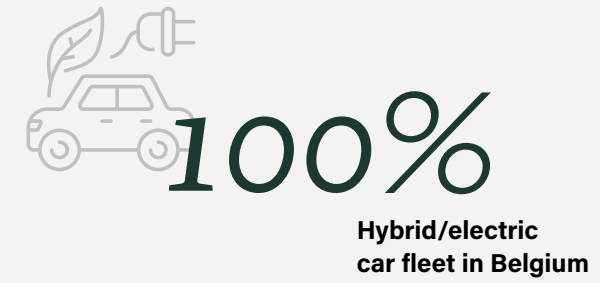
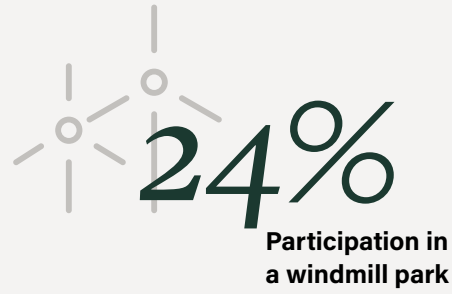
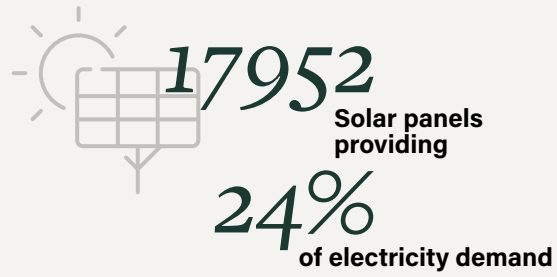
Thinking is an ongoing process that often draws from one's own experiences, which may not always be innovative. To generate new insights and ideas, it is of utmost importance to cooperate and bring together different perspectives and sources of knowledge

Remko Roest - Sustainability manager, Baars en Bloemhoff



^{ix} ACE ARHEGET Consult Engineering - Acetra. (2023, 10 januari). *Timber in construction industry*. Acetra. <https://acetra.rs/news/how-is-timber-changing-the-construction-industry/>
^x European Panel Federation. (2023, 18 augustus). Wood availability - European Panel Federation. European Panel Federation - <https://europanel.org/5-strategic-directions/wood-availability/>
^{xi} EcoTree. (z.d.). How much CO2 does a tree absorb? Let's get carbon curious! EcoTree. <https://ecotree.green/en/how-much-co2-does-a-tree-absorb>
^{xii} Timber construction can help reduce CO2 emissions. (2023, 13 februari). European Economic and Social Committee. <https://www.eesc.europa.eu/en/news-media/news/timber-construction-can-help-reduce-co2-emissions>

Key Figures



Green 2025

Enhancing our ecological impact

Reducing carbon emissions:

We evaluate our carbon impact and commit to establishing scientifically-based transition strategies aimed at achieving net zero emissions across all our locations.

AMBITION

- Establish scientifically-based transition plans towards net zero for all nine Decospan sites
- Commit to Science Based Targets initiative

Partnerships in the value chain

Transparency:

We will establish collaborative relationships. We encourage transparency by engaging in open dialogues.

AMBITION

- 2 new partnerships by end 2025 (R&D)
- Calculate scope 3 emissions

Net zero 2030

Enhancing our ecological impact

Renewable energy sources:

We shift to renewable energy sources like wind, solar, or bioenergy for our facility's energy needs.

AMBITION

- Transition to 100% renewable energy sources

Partnerships in the value chain

Engagement:

We will collaborate with suppliers and customers to jointly reduce carbon emissions across the supply chain.

AMBITION

- Reduce scope 3 carbon emissions with 25%

Net positive 2040

Enhancing our ecological impact

Waste reduction and recycling:

We implement a zero-waste policy in our manufacturing process. We will recycle and reuse wood scraps and veneer offcuts.

AMBITION

- Zero wood waste

Partnerships in the value chain

End-of-life solutions:

We will create a system for product take-back, recycling, or repurposing at the end of a product's life cycle. We will explore partnerships with recycling or refurbishing facilities.

AMBITION

- Circular solutions for wood products

ENHANCING OUR ECOLOGICAL IMPACT

We strategically **invest in optimising the environmental performance** of our nine diverse sites across Europe. This includes the implementation of energy-efficient technologies, renewable energy, and responsible waste management.

Reducing carbon emissions

We have performed a detailed energy study for our sites in Belgium and Northern France. In alignment with the Paris Agreement’s call for urgent climate action to limit global warming to 1.5°C, we are **prioritising carbon neutrality by focusing on scope 1 and 2 emissions**, recognising that the majority of total corporate emissions stem from scope 3 sources.

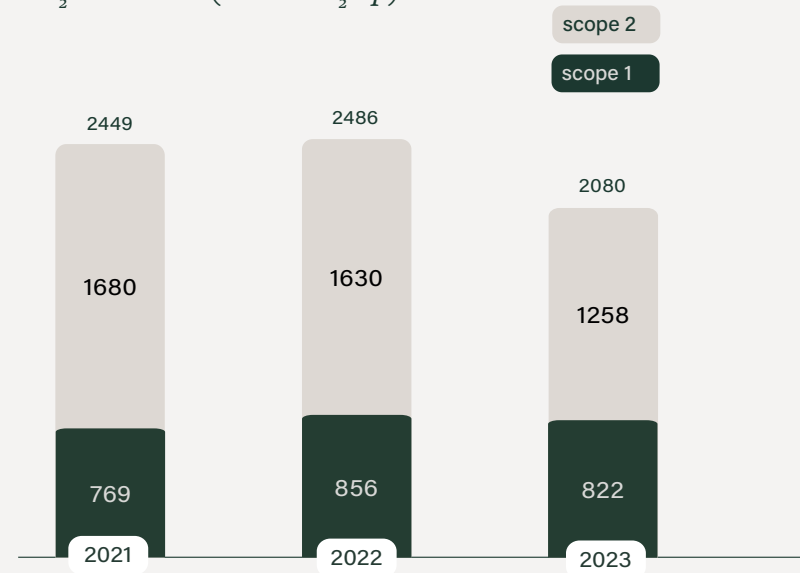
One way to reduce our carbon footprint is by upgrading our machinery and processes to enhance their **energy efficiency**. In this regard, we have conducted **a large-scale reallocation project in Belgium**, ensuring our sites are prepared for unforeseen challenges. This process will be extended to all nine sites of the entire Decospan group in the coming years.

Starting next year, we will investigate which validated methodology we can apply to calculate our scope 3

emissions, to encompass emissions related to the value chain. We already strive to optimise customer-bound transportation by establishing an intercompany shuttle service between Decospan France Nord and Decospan Belgium, consolidating orders to reduce emissions.

The objective is to identify areas for improvement, establish meaningful reduction targets, and further align our practices with sustainability goals.

CO₂ - emissions (tonne CO₂ eq.)



Compensating for our carbon emissions

We are committed to reducing our carbon footprint as much as possible. On the one hand, we do so by deploying both energy-efficient and renewable energy technologies to reduce our carbon emissions. On the other hand, we also want to take **compensatory measures for the CO₂ we still emit**. Therefore, we will invest in carbon offset programmes, which can include supporting reforestation projects or renewable energy initiatives.



Renewable energy sources

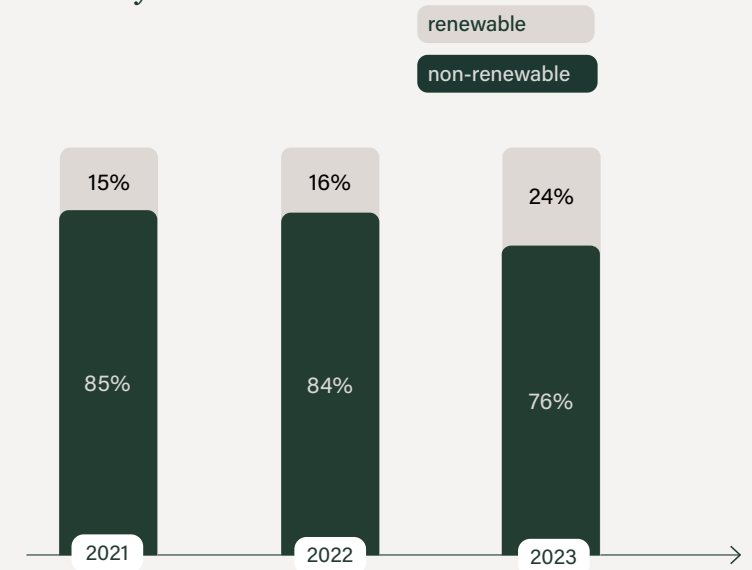
In 2023, **24% of electricity originates from solar energy, generated by our own photovoltaic installations.** The other 76% of our purchased electricity for Belgium and Northern France comes from non-renewable sources. At Decospan France Nord, we installed 1824 solar panels in 2023, boasting a total capacity of 994 kWp. The outcomes of this installation will be detailed in the 2024 sustainability report and is not yet fully visible in the given numbers.

Aligned with our goal of reducing our carbon footprint, we have set the ambition to **power our operations entirely with 100% renewable energy sources.**

Since investing in green energy is crucial to reduce carbon emissions and mitigating climate change, we have a **24% participation in a wind park.** The long-term significance lies in fostering cleaner, renewable alternatives to traditional energy sources.

We are reevaluating the practice of incinerating wood waste for energy recovery and heating our premises, aiming to retain the originally captured carbon emissions in our wood.

Electricity use



Waste reduction and recycling

We have adopted a strategic waste management approach aligned with the waste hierarchy, also referred to as the **Ladder of Lansink**, which prioritises environmentally sound and resource-efficient methods. **The waste hierarchy is integrated into various stages of the product life cycle**, from design considerations to finishing that safeguards against wear and tear, extending a product's lifespan.



Ladder of Lansink

Our first concern is to **prevent waste as much as possible**. To do so, we optimise cutting and slicing processes to minimise wood waste. Advanced technologies maximise log yields, reducing waste, while the use of wood slicing prevents unnecessary sawing losses.

Our wood products undergo careful processing. For instance, production defects are thoroughly assessed for possible rework. **Inevitable waste streams**, like wood dust or veneer chips, are collected separately and **sent off for recycling**. We offer **repair and cleaning** products. Moreover, our veneered flooring's click-system allows end-users to replace damaged planks easily. Only in cases where prevention, reuse, or recycling is challenging, we focus on **energy recovery** through advanced incineration processes.

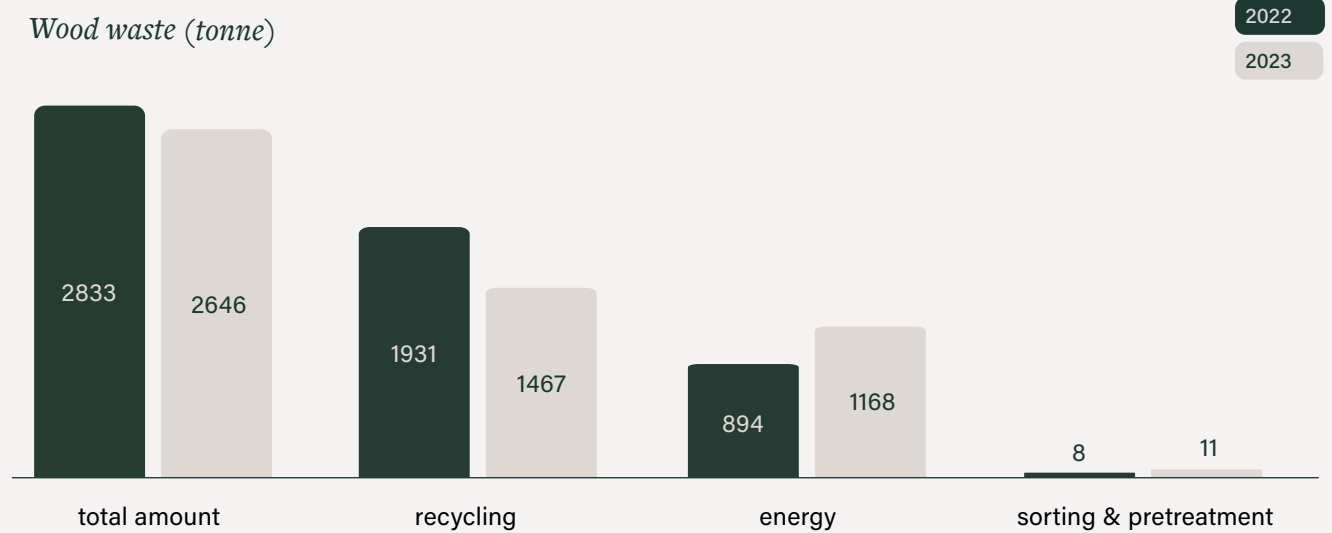


In 2023, 2976 tonnes of waste were collected from the Belgian sites, with the top five waste streams accounting for 97% of the total:

- Untreated wood
- Treated wood
- Residual waste
- Cardboard / paper
- Glues and varnishes

Wood waste contributes for 91% to the total amount of waste, generated in 2023. Approximately 1,4% was classified as hazardous waste, mainly involving glues, varnishes, and solvents. The amount of wood waste decreased by 7% compared to 2022, whereof 56% was recycled and 44% immediately used for energy conversion, supporting heating of our premises or production processes.

Building on this experience, we plan to provide a comparable dataset for our Northern France location in the upcoming year.



JOINING FORCES ACROSS THE VALUE CHAIN

Enhancing transparency

A successful business partnership thrives on transparency, trust, and sharing knowledge. This approach creates a collaborative environment where, together with our business partners, we can achieve greater successes. One of the business partnerships we are actively involved in is **'Inspired by WOOD'**, dedicated to circular innovation and supported by VLAIO.

Building partnerships to lower our indirect greenhouse gas emissions

Addressing indirect greenhouse gas emissions linked to our value chain requires collaboration. We actively **cooperate with partners** in research and development initiatives to decrease indirect emissions by:

- Incorporating recycled content into products
- Prioritising durability, reuse, and recyclability in product development
- Reducing reliance on virgin materials
- Minimising waste

Partnering with recycling and refurbishing facilities

We will explore partnerships with recycling or refurbishing facilities to finetune the end-of-life solutions of our products, considering collection points for responsible disposal or repurposing.

Proper disposal in accordance with national and international legislation allows our products to be ground down into raw material that can be used in the production processes of **new board materials, preserving the carbon within the wood**. Even when the wood-based products are incinerated and converted into energy, they replace non-renewable fossil energy sources like coal and oil.



©WOOD.BE



Inspired by WOOD

The transition from a linear economic model to a circular one brings many opportunities. Living Lab Circular Wood Cluster Grensland was launched early 2023 to explore opportunities beyond individual manufacturing companies. The initiative focuses primarily on the potential reuse of wood residues or recycled materials across companies using 9R strategies as a lever.



1. Refuse & Rethink
2. Reduce
3. Reuse
4. Repair
5. Refurbish
6. Remanufacture
7. Repurpose
8. Recycle
9. Recover



04/ CORPORATE GOVERNANCE



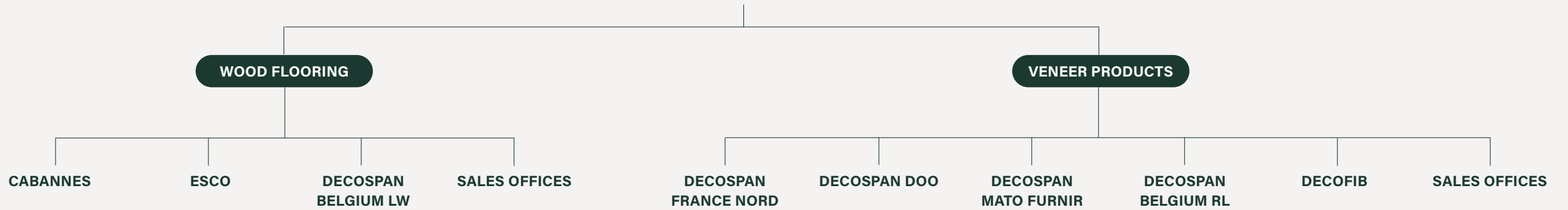
Founded in 1978 by Urbain Desmet, Decospan is a family-owned business that has evolved through three generations. That third generation has brought transformative changes to products, sales, and marketing since 2009. CEO Pieterjan Desmet leads sustained growth and innovation, fostering global expansion.

PRINCIPLES OF GOOD GOVERNANCE

Corporate governance guides our decision-making, prioritising transparency, accountability, and inclusiveness for sustainable development. Emphasising shared ownership and engagement, our **collaborative approach involves all committees in strategy development**, utilising the OKR methodology for specific objectives. To promote comprehension, our EVOLVE magazine and our internal KARAKTERS magazine serve as valuable resources. Through these channels, we aim to cultivate a culture of shared knowledge and collective involvement in our organisational journey.

LEGAL STRUCTURE

DECOSPAN®



CORPORATE STRUCTURE



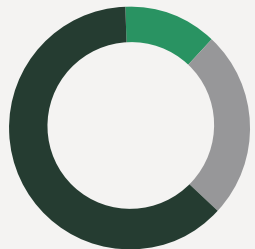
Shareholders

The shareholders meet once a year at the shareholders meeting. The family charter is interwoven into the shareholders' agreement.



Non-executive committee

The non-executive committee determines and oversees the long-term strategy. It monitors the functioning of the executive committee and acts as a strategic partner. The committee gathers five times a year and conducts an annual budget meeting. An external party offers guidance to the non-executive committee when needed.



Family council

The family council serves as a platform for discussion and information exchange within the family structure. Its primary objective is to address family matters and issues in a suitable environment, ensuring that discussions take place at the appropriate time and involve the relevant individuals. In doing so, it aims to keep family-related sensitivities separate from the general assembly, board of directors, executive committee, and the operational level.



Executive committee

The executive committee is responsible for implementing the strategy and meets on a weekly basis. Our CFO, Wouter Pattyn, is responsible for overseeing impacts, risks, and opportunities. Every quarter, identified risks are presented and discussed with the non-executive committee.

SUSTAINABILITY GOVERNANCE

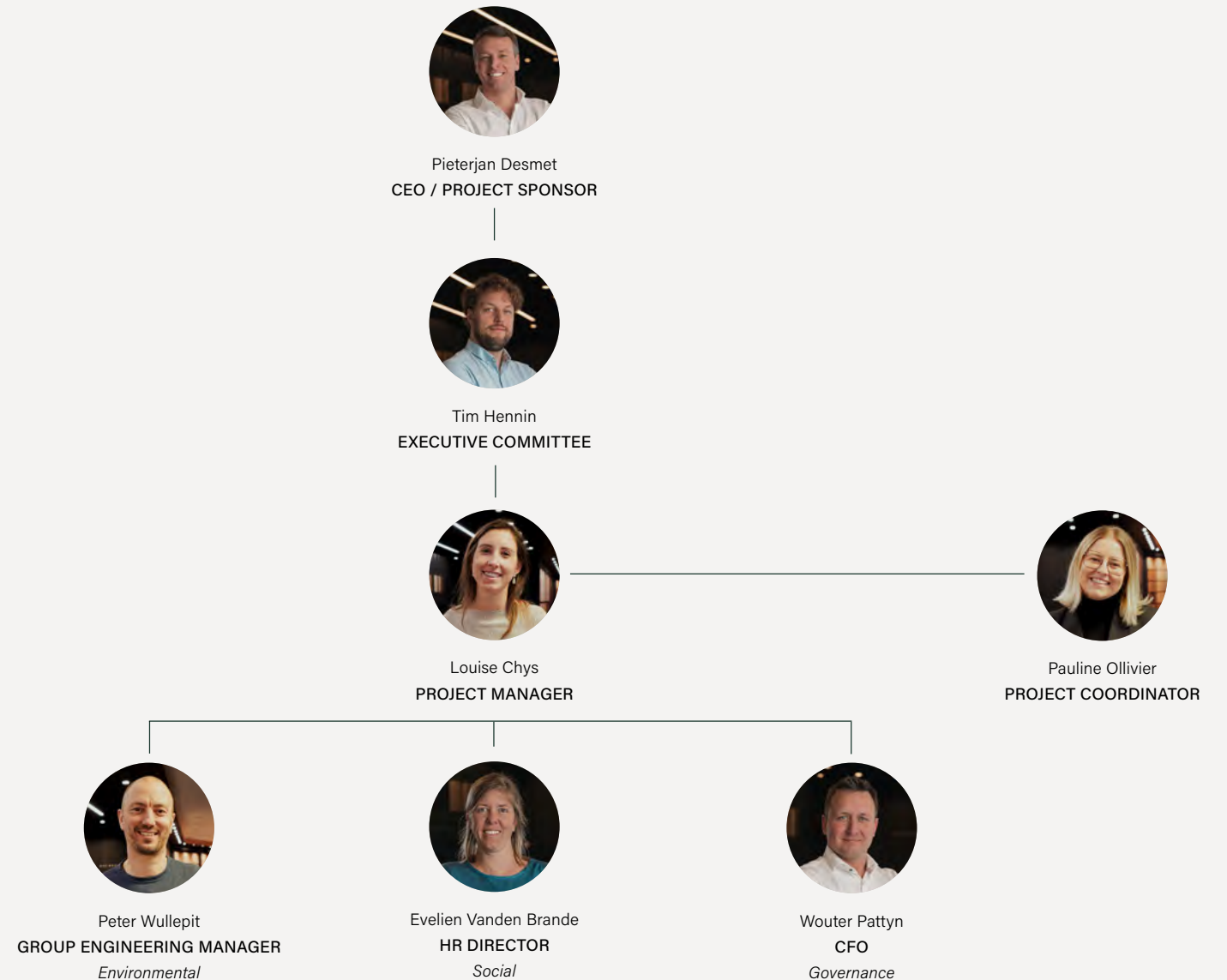
Our sustainability governance framework serves as the cornerstone for ensuring accountability, transparency, and effective decision-making. At the heart lies the commitment of our leadership, setting the tone for integrating sustainable practices into our business strategy.

To involve our employees and enhance transparency, we introduced the KARAKTERS magazine. Intranet and SharePoint serve as daily communication platforms, enhancing overall organisational efficiency, strengthening our culture of trust and collaboration.

Code of Conduct

We are creating a comprehensive Code of Conduct as guiding framework, emphasising ethical business practices. This policy will not only reflect our company's family values but will also set clear expectations for the conduct of our employees.

Implementation involves targeted training and awareness initiatives, facilitated through the Decospan academy, supporting continuous learning and self-improvement.





In our approach, stakeholder engagement remains central. We actively seek their input and feedback throughout the reporting process.

Louise Chys - Group Compliance manager, Decospan

Our sustainability report serves as a platform for openly communicating our progress, challenges, and aspirations. It is marked by a commitment to transparency and aligns with the Corporate Sustainability Reporting Directive (CSRD), which has led us to proactively address sustainability. We approach this endeavour with a forward-looking perspective to anticipate future challenges.

With our EVOLVE strategy, we are focused on propelling the company to new heights in various areas. This approach cultivates a sustainable business model that creates value for everyone involved and allows us to achieve sustainable leadership. It emphasises long-term success through strategic decision-making based on value creation.

As we continue our sustainability reporting journey, we remain committed to refining our practices, expanding the scope of our disclosures, and deepening our engagement with stakeholders.

Belgian Ambassador of the Family Business Award of Excellence 2023!

In 2023, Decospan was honoured as the **9th ambassador of the Family Business Award of Excellence®**. This prestigious award recognises family businesses that excel in sound governance in both the family and the company, in the vision and preservation of family values, in the transmission of entrepreneurial spirit across generations, in communication and in social commitment.

The jury lauded Decospan for our **strong strategic model** that blends effective **no-nonsense business management** with a **passion for the product** and the **well-being of our employees**. At the core of this recognition is our shared belief in the enduring strength and resilience of family businesses, aligning with principles of sustainability.

Established in 2014 by EY, FBN Belgium, and GUBERNA, in strategic partnership with BNP Paribas Fortis and De Tijd, the Family Business Award of Excellence® is dedicated to the sustainable evolution of Belgian family businesses. Key criteria for the jury include **communication, sustainable growth, and social commitment**.

Decospan has a very successful business model, based on differentiation, which translates into strong growth and value creation. [...] The family has appointed a wood director and they also want to keep that position within the family, precisely because it is about the long term and circularity^{xiii}.

Guido Vanherpe - CEO of La Lorraine and jury president for the Family Business Award

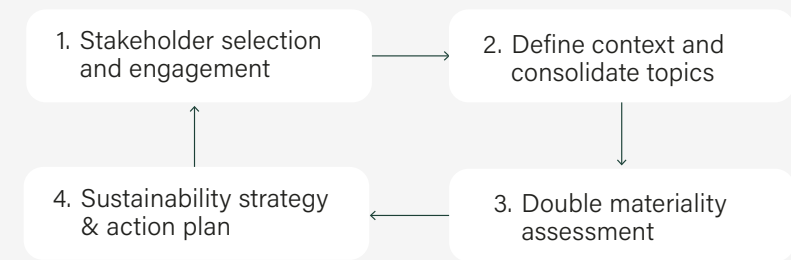
^{xiii} 'Het familiebedrijf overnemen? dat is een vorm van ondernemen' (z.d.). De Tijd. <https://www.tijd.be/connect/ey/family-business-award-of-excellence--2023/het-familiebedrijf-overnemen--dat-is-een-vorm-van-ondernemen.html>





OUR SUSTAINABILITY REPORTING JOURNEY

Throughout our sustainability reporting journey, we have been challenged to navigate uncertainty, considering evolving standards, emerging issues, and a dynamic business landscape. Our reporting efforts for 2023 have been conducted within a limited scope. This focused approach allows us to concentrate on key material aspects while being transparent about areas where our reporting may currently be constrained due to factors such as data availability or evolving methodologies.



Stakeholder selection and engagement

Stakeholder selection

For the year 2023, we carefully selected **16 stakeholders** across the value chain, complemented by other parties who may be affected by or have an interest in our organisation's activities or products. As a result, a total of nine external and seven internal stakeholders, which included both white- and blue-collar employees, actively participated in our engagement initiatives. We involved both internal and external stakeholders to **capture a diversity of interests and perspectives and gain comprehensive insights** into where impact occurs, covering both long-term strategic issues and current concerns.

We plan to review and expand the stakeholder selection for future engagements. Additionally, we aim to establish a systematic methodology for the identification of stakeholders.



Stakeholder engagement

The purpose of stakeholder engagement is to **cultivate positive relationships** and inform our materiality determination process. Our dialogue with stakeholders occurs through an **ESG-rating questionnaire and a live interview.**

Prior to the live interview, all stakeholders received the ESG-rating questionnaire, accompanied by guiding explanations for each topic. Each stakeholder was requested to indicate on a scale from 0 to 5:

- The importance, for Decospan, of committing to the topic.
- Decospan's current performance on the topic

The live interview consisted of general questions to gain insights into our stakeholders' background. The given scores and supporting opinions were discussed to understand the stakeholders interests.

TYPE	GROUP	WAY OF ENGAGEMENT
External	Suppliers	<p>Live interview</p> <ul style="list-style-type: none"> • Are you familiar with Corporate Social Responsibility? • What are the major developments in the industry in general? • Where do you see the biggest risks and opportunities? • What three things should Decospan prioritise? • What steps need to be taken in terms of sustainability and how do you envision Decospan's role in that? • Where do you think the industry will be in 10 years, in terms of sustainability? • Other questions or recommendations?
External	Customers	
Internal	Employees	
External	Waste management	
External	Financial institutions	
External	Non-profit organisation	
External	Sector federation	
Internal	Shareholder	

Define context and consolidate topics

Desk research







To better understand the challenges, impacts, risks, and opportunities along the value chain, we reviewed sustainability frameworks, industry standards and peer reports. It is crucial to also shine a light on vulnerabilities in the supply chain, evolving regulatory landscapes, including the EU Deforestation regulation, and the constant need to adapt to emerging market trends.

Risk management

The Board of Directors conducts a quarterly risk analysis to anticipate and address potential risks effectively, fostering a resilient and forward-thinking strategy for long-term success.

Relevant ESG topics list

Stakeholder engagement, internal risk management, and adherence to industry standards collectively guided the identification of pertinent ESG-topics for Decospan. The desk research offered valuable insights into relevant ESRS-standards across the value chain, as illustrated.

	Procurement & Logistics			Product Creation	Marketing & Sales	Customer Service	End of Life
	 Forestry & Slicing	 Carriers	 Glues & Finishes		 Importer & distributor	 End of life	
ESRS E1 - Climate change	✓	✓	✓	✓	✓	✓	
ESRS E2 - Pollution			✓	✓		✓	
ESRS E3 - Water & marine resources	✓	✓					
ESRS E4 - Biodiversity & ecosystems	✓	✓		✓	✓		
ESRS E5 - Resource use & circularity			✓	✓	✓	✓	
ESRS S1 - Own workforce		✓	✓	✓	✓	✓	
ESRS S2 - Workers in the value chain	✓						
ESRS S3 - Affected communities	✓						
ESRS S4 - End consumers			✓		✓		
ESRS G1 - Business conduct		✓				✓	

Double materiality assessment

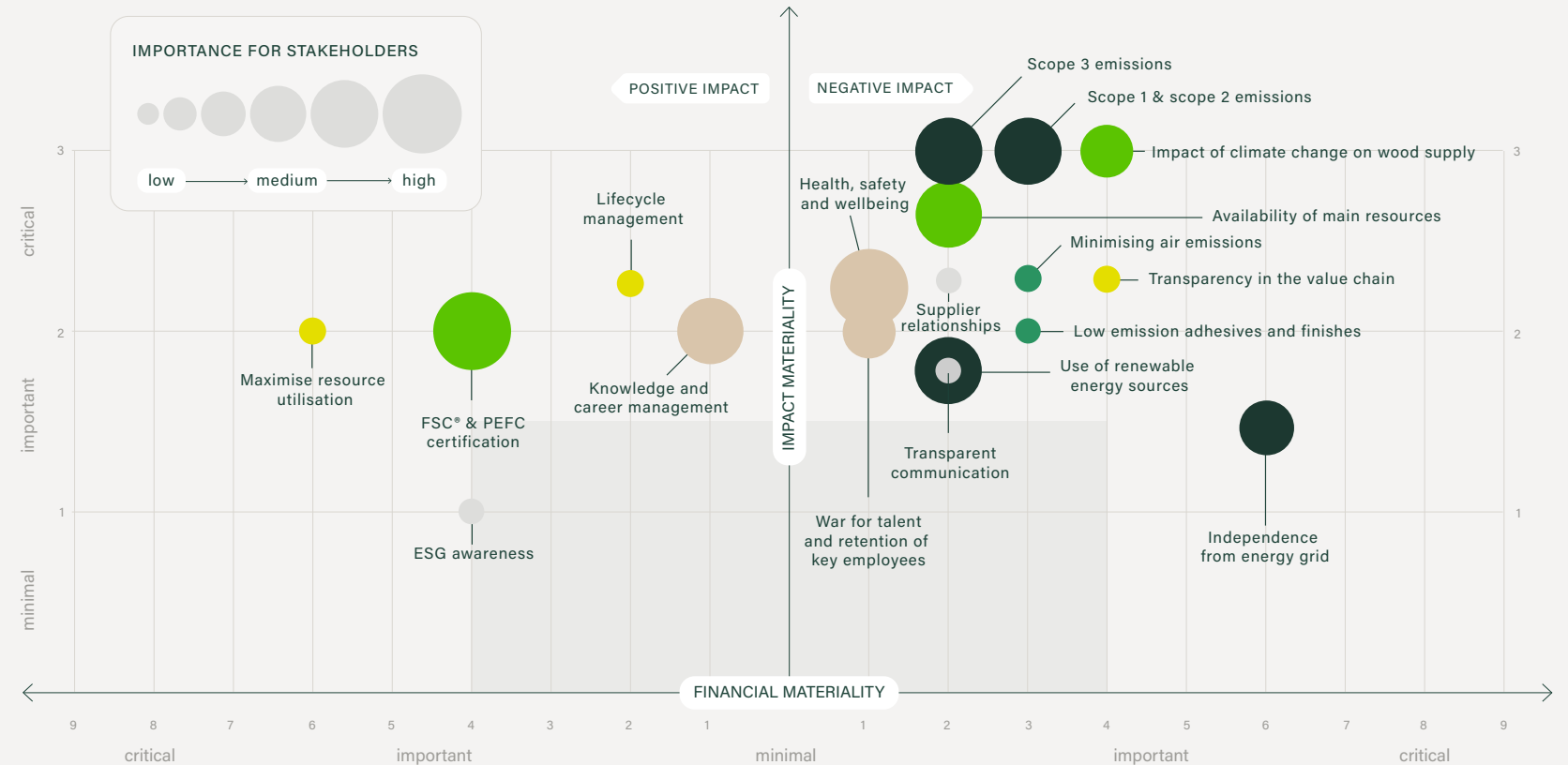
The stakeholder engagement, desk research and internal risk management resulted in a long-list with 29 impacts, risks or opportunities on the short, medium and long-term. Their **financial materiality** was evaluated, considering the likelihood of risks or opportunities occurring and the magnitude of their financial impact. The **impact materiality** was assessed based on their severity and, for potential impacts, their likelihood of happening.

Only material topics are displayed in the double materiality matrix on the right. The size of each marking represents the **importance, attributed by stakeholders**.

Actual impacts are identified as material if their impact materiality is > 1.5 or if the financial materiality is > 4.

Potential impacts are identified as material if their impact materiality is > 1.5 and either likelihood is > 2, or the financial materiality is > 4.

The outcome of this assessment is incorporated into our **business strategy** and **decision-making processes**.



ESRS E1 - Climate Change	TOP 5 PRIORITY TOPICS ACCORDING TO STAKEHOLDERS	TOP 5 TOPICS IMPACTING PLANET & SOCIETY (impact materiality)	TOP 5 TOPICS IMPACTING DECOSPAN (financial materiality)
ESRS E2 - Pollution	FSC* & PEFC certification	Scope 1, 2 and 3 emissions	Independence from energy grid
ESRS E4 - Biodiversity & ecosystems	Scope 1, 2 and 3 emissions	Impact of climate change on wood supply	Transparency in the value chain
ESRS E5 - Resource use & circularity	Use of renewable energy sources	Lifecyle management	Impact of climate change on wood supply
ESRS S1 - Own workforce	Health, safety and well-being	Health, safety and well-being	Maximise resource utilisation
ESRS G1 - Business conduct	Knowledge and career management	Minimising air emissions	FSC* & PEFC certification



Sustainability strategy and action plan

We have crafted a roadmap for a sustainable future, centering our mission and vision around three core pillars we call our 'favourite places.' Our approach begins with a **strong commitment to sustainably managed forests**, where we focus on transparency, education, and community involvement. This commitment is paralleled by our **dedication to creating a healthy workplace** that fosters our teams development, safety, and well-being. Together, these foundations enable us to **design beautiful interiors** that embody circularity in a climate-neutral value chain and strive for both aesthetic and sustainable decorative solutions.

In our pursuit of a net positive ambition by 2040, the essential ingredients are **partnerships and collective efforts**. During this remarkable journey, we will persist in achieving our goals, while fostering a flourishing business for the generations to come.

The Desmet Family



05/ ESRS REFERENCE TABLE

General disclosures

TOPIC	ESRS DISCLOSURES	EXPLANATION AND DATA POINTS	CORRESPONDING GRI DISCLOSURES	REFERENCE	
ESRS 2 General disclosures	BP-1	General basis for preparation of the sustainability statements	Scope of consolidation and value chain information	2-2	2
	BP-2	Disclosures in relation to specific circumstances	n.a.	2-4	
	GOV-1	The role of the administrative, management and supervisory bodies	Composition, roles and responsibilities, access to expertise and skills with regard to sustainability	2-9, 2-12, 2-13, 2-14, 2-17 and 405-1	66
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Under development	2-12, 2-13 and 2-16	
	GOV-3	Integration of sustainability-related performance in incentive schemes	Under development	2-19	
	GOV-4	Statement on sustainability due diligence	Mapping of the information about sustainability due diligence processes		26
	GOV-5	Risk management and internal controls over sustainability reporting	Under development	2-14	
	SBM-1	Market position, strategy, business model(s) and value chain	Market position and elements of the strategy related to impact sustainability matters, business model and value chain.	2-6, 2-7, 2-22 and 201-1	16
	SBM-2	Interests and views of stakeholders	Implementation of stakeholders' interests in strategy and business model	2-29	69
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	Interaction of material IRO's with strategy and business model	3-2	19
	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Quarterly risk analysis by board of directors	3-1	69
	IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	Disclosure requirements included in this report and topics, omitted as not material.		71
	MDR-P	Policies adopted to manage material sustainability matters	Under development	3-3	
	MDR-A	Actions and resources in relation to material sustainability matters	Under development	3-3	
	MDR-M	Metrics in relation to material sustainability matters	See annex I, II & III	3-3	
	MDR-T	Tracking effectiveness of policies and actions through targets	Sustainable Forests, A Healthy Workplace, Beautiful Interiors, Our partnerships	3-3	25, 34, 47, 55

Environment

The European Sustainability Reporting Standards (ESRS) require organisations to disclose their environmental impacts more comprehensively and transparently, so that stakeholders can better understand a company's efforts to promote sustainability. The "Environment" strand of the ESRS covers a range of topics, including:

ESRS E1	Climate Change	material
ESRS E2	Pollution	material: use of low emission adhesives and finishes (air pollution and substances of concern)
ESRS E3	Water and Marine Resources	not material
ESRS E4	Biodiversity and ecosystems	material: availability and impact of climate change on wood supply, including FSC and PEFC certification
ESRS E5	Resource use and circular economy	material

TOPIC	ESRS DISCLOSURES	EXPLANATION AND DATA POINTS	CORRESPONDING GRI DISCLOSURES	REFERENCE	
ESRS E1 Climate change	E1-1	Transition plan for climate change mitigation		56	
	E1-2	Policies related to climate change mitigation and adaptation		3-3	
	E1-3	Actions and resources in relation to climate change policies		3-3	
	E1-4	Targets related to climate change mitigation and adaptation	Shaping a fully circular, climate-neutral value chain	302-1, 302-2 and 302-3	53
	E1-5	Energy consumption and mix	Enhancing our ecological impact Annex I	305-1, 305-2, 305-3 and 305-4	56
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Enhancing our ecological impact Annex I	305-5	56
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Under development		
	E1-8	Internal carbon pricing	Under development	201-2	
	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	ESRS phase-in		

TOPIC	ESRS DISCLOSURES	EXPLANATION AND DATA POINTS	CORRESPONDING GRI DISCLOSURES	REFERENCE	
ESRS E2: Pollution	E2-1	Policies related to pollution	Well-being in every molecule	3-3	48
	E2-2	Actions and resources related to pollution	Well-being in every molecule	3-3	48
	E2-3	Targets related to pollution	Well-being in every molecule	3-3	48
	E2-4	Pollution of air, water and soil	Well-being in every molecule		48
	E2-5	Substances of concern and substances of very high concern	Well-being in every molecule		48
	E2-6	Potential financial effects from pollution-related impacts, risks and opportunities	ESRS phase-in		
ESRS E4: Biodiversity and ecosystems	E4-1	Transition plan on biodiversity and ecosystems	Responsible sourcing		26
	E4-2	Policies related to biodiversity and ecosystems	Responsible sourcing	3-3	26
	E4-3	Actions and resources related to biodiversity and ecosystems	Responsible sourcing	3-3	26
	E4-4	Targets related to biodiversity and ecosystems	Responsible sourcing	3-3	26
	E4-5	Impact metrics related to biodiversity and ecosystems change	Responsible sourcing	304-1, 304-2, 304-3 and 304-4	26
	E4-6	Potential financial effects from biodiversity and ecosystem related impacts, risks and opportunities	ESRS phase-in		
ESRS E5: Resource use and circular economy	E5-1	Policies related to resource use and circular economy	Maximising resource utilisation	3-3	29
	E5-2	Actions and resources related to resource use and circular economy	Joining forces across the value chain	3-3 and 306-2	60
	E5-3	Targets related to resource use and circular economy	Beautiful Interiors	3-3	47
	E5-4	Resource inflows	Responsible sourcing Striving for balanced life cycles	301-1 and 301-2	26, 49
	E5-5	Resource outflows	Enhancing our ecological impact Maximising resource utilisation, Annex II	306-3, 306-4 and 306-5	56, 29
	E5-6	Potential financial effects from resource use and circular economy-related impacts, risks and opportunities	ESRS phase-in		

Social

The 'Social' section of the ESRS covers a range of topics, including:

ESRS S1	Own employees	material
ESRS S2	Employees in the supply chain	not material
ESRS S3	Impacted communities	not material
ESRS S4	Consumers and users	not material

TOPIC	ESRS DISCLOSURES	EXPLANATION AND DATA POINTS	CORRESPONDING GRI DISCLOSURES	REFERENCE	
ESRS S1: Own workforce	S1-1	Policies related to own workforce	Sustainability governance	2-23, 2-25, 3-3 and 402-2	66
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	Under development	2-29, 3-1 and 403-4	
	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Psychosocial well-being	2-25	41
	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Under development	3-3, 403-1, 403-2, 403-3, 403-5, 403-6, 403-7 and 404-2	
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	A healthy workplace	3-3	34
	S1-6	Characteristics of the undertaking's employees	Annex III	2-7 and 401-1	
	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Not material	2-28	
	S1-8	Collective bargaining coverage and social dialogue	Not material	2-30	
	S1-9	Diversity indicators	Diversity and inclusion, Annex III	2-9, 405-1	43
	S1-10	Adequate wages	Recognise and reward ambitions	202-1	41



TOPIC	ESRS DISCLOSURES	EXPLANATION AND DATA POINTS	CORRESPONDING GRI DISCLOSURES	REFERENCE
	S1-11 Social protection	Not material	401-2	
	S1-12 Persons with disabilities	Not material		
	S1-13 Training and skills development indicators	Performance	402-2, 404-1 and 404-3	38
	S1-14 Health and safety indicators	Health and well-being	403-8, 403-9 and 403-10	42
	S1-15 Work-life balance indicators	Not material	401-3	
	S1-16 Compensation indicators (pay gap and total compensation)	Not material	2-21, 3-3 and 405-2	
	S1-17 Incidents, complaints and severe human rights impacts and incidents	Not material	2-27 and 406-1	

Governance

Governance covers only one topic, namely ESRS G1 Business conduct. Within this topic, reporting is required on the following items:

TOPIC	ESRS DISCLOSURES	EXPLANATION AND DATA POINTS	CORRESPONDING GRI DISCLOSURES	REFERENCE
ESRS G1 Business Conduct	G1-1 Corporate culture and business conduct policies and corporate culture	Principles of good governance	2-12, 2-23, 2-24, 2-26, 3-3 and 205-2	63
	G1-2 Management of relationships with suppliers	Responsible sourcing	308-1, 308-2, 414-1 and 414-2	27
	G1-3 Prevention and detection of corruption and bribery	Not material	2-16, 2-26, 3-3 and 205-1	
	G1-4 Confirmed incidents of corruption or bribery	Not material		
	G1-5 Political influence and lobbying activities	Not material		
	G1-6 Payment practices	Not material		

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